THE EMPIRE CLUB OF CANADA

Founded 1903

Addresses
2006–2007

Digitized by the Internet Archive
in 2025 with funding from
University of Toronto

https://archive.org/details/empireclubofcana2006unse

THE EMPIRE CLUB OF CANADA

2006–2007

103rd Yearbook

Her Majesty Queen Elizabeth II
Queen of Canada
wearing Her Canadian insignia
as Sovereign of the Order of Canada
and the Order of Military Merit

THE EMPIRE CLUB OF CANADA

Founded 1903

Addresses
2006–2007

GOD SAVE THE QUEEN

© Copyright 2008
The Empire Club of Canada

Royal York Hotel
100 Front Street West
Toronto, Ontario M5J 1E3
(416) 364-2878

ISBN 0-9734345-0-3

The opinions and views expressed in the
addresses contained in this volume are those
of the speakers themselves and do not necessarily carry the
full or partial endorsement of
The Empire Club of Canada

Published by
The Empire Club Foundation

Yearbook Chairman, Edward P. Badovinac

Photography by Leni Johnston

Typeset by Fine Impressions, Toronto, Ontario

OFFICERS AND BOARD OF DIRECTORS, 2006–2007

Honorary Officers

Honorary President	Her Excellency the Rt. Hon. Michaëlle Jean, CC, CMM, COM, CD Governor-General of Canada
Honorary Vice-President	The Hon. James K. Bartleman, OOnt Lieutenant-Governor of Ontario
Honorary Chairman	The Hon. Henry N. R. Jackman OC, KStJ, OOnt, CD, LLD
Honorary Chaplain	The Rt. Rev. Colin R. Johnson
Honorary Secretary	The Hon. David Crombie, PC
Honorary Treasurer	Hartland M. MacDougall CVO, OC
Honorary Solicitor	The Hon. William G. Davis PC, CC, QC

Honorary Directors

Leland H. Ausman
Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ
Willis L. Blair
Mary R. Byers
The Hon. Barnett J. Danson, PC, OC
Major William A. Duncan, CD
A. Carlyle Dunbar
William J. McCormack, OStJ
Larry Stout
J. A. Wm. Whiteacre, MM, CD, QC

Officers

President	The Rev. Dr. John S. Niles, MSM
1st Vice-President and President-Elect	Catherine S. Swift
2nd Vice-President	Don McCutchan
3rd Vice-President	Jo-Ann McArthur
Secretary	C. Alexander Squires
Treasurer	Richard Goodall, CA

Directors

Past Presidents: William G. Whittaker, QC
Bart J. Mindszenthy, APR, FCPRS
John C. Koopman
Ann Curran

Directors: Edward P. Badovinac, CET, KH, OLJ, MMLJ
Lisa Baiton
The Rev. Canon Kimberley Beard, BA, BEd, MDiv
Mary Lou Benotto, The Hon. Madam Justice
Roxanna Benoit
L.Col. A. G. (Sandy) Cameron, CStJ, CD, AdeC
Charles S. Coffey, QC
Diana Conconi
Verity Craig
Heather C. Devine
Heather Ferguson
Anne Fotheringham
Richard Goodall, CA
Stanley H. Hartt
Kamal Hassan
Stephen Hewitt
Duncan N. R. Jackman
David L. Lindsay
Pat Mills
Sylvia Morawetz
Doug Morris
Lou Natale
Tim Reid
Rocco Rossi
Margaret M. Samuel, MBA, LLB, CFA
Robin V. Sears
Ken Shaw
Effie Triantafilopoulos, LLB, LLM
William F. (Bill) White

Past Presidents

Past Honorary Presidents

†1903–1912	Rt. Hon. Lord Strathcona and Mount Royal GCMG, LLD, DCL
†1913–1926	Field Marshal H.R.H. The Duke of Connaught and Strathearn, KG, GCMG
†1927–1931	Rt. Hon. Viscount Willingdon, GCSI, GCMG
†1931–1935	Rt. Hon. The Earl of Bessborough, PC, GCMG
†1935–1940	Rt. Hon. Lord Tweedsmuir, GCMG, CH
†1940–1946	Rt. Hon. The Earl of Athlone KG, GCB, GCMG, DSO, VD
†1947–1959	Field Marshal, The Rt. Hon. The Earl Alexander of Tunis, GCB
†1960–1967	Gen. The Rt. Hon. Georges P. Vanier PC, DSO, MC, CD
†1968–1974	Rt. Hon. D. Roland Michener PC, CC, CMM, CD, QC
†1974–1979	Rt. Hon. Jules Léger, PC, CC, CMM, CD
1979–1983	Rt. Hon. Edward R. Schreyer PC, CC, CMM, CD
†1984–1989	Her Excellency The Rt. Hon. Jeanne Sauve, CC
†1990–1995	His Excellency The Rt. Hon. Ramon John Hnatyshyn, PC, CC, CMM, CD, QC, BA, LLB, LLD, DU
1995–1999	His Excellency The Rt. Hon. Roméo-Adrien LeBlanc, PC, CC, CMM, CD, BA, BEd
1999–2005	Rt. Hon. Adrienne Clarkson, CC, CMM, CD

Past Presidents

†1903–1905	Brig.-Gen. The Hon. James Mason, KStJ
†1905–1906	Rt. Rev. William Clark, DD, LLD, DCL
†1906–1907	J. P. Murray, JP, FREL
†1907–1908	J. F. M. Stewart

†Deceased

†1908–1909	D. J. Coggin, MA, DCL
†1909–1910	Elias Clouse MD, CM, LFPS Glasgow, LRPS Edin.
†1910–1911	J. Castell Hopkins, FRS
†1911–1912	F. B. Featherstonhaugh, KC, MBE
†1912–1913	Rt. Rev. James F. Sweeny, MA, DD, DCL
†Deceased	
†1913–1914	The Hon. Mr. Justice James Craig, KC
†1914–1915	Lt.-Col. R. J. Stuart
†1915–1916	Albert Ham, MusD, DCL, FRCO
†1916–1917	James Black Perry
†1917–1918	Norman Sommerville, MA, KC
† 1918	F. J. Coombs
† 1919	R. A. Stapells
† 1920	Arthur Hewitt
† 1921	Brig.-Gen. C. H. Mitchell, CB, CMG, DSO, LLD
† 1922	Sir William Hearst, KCMG, KC, LLD
† 1923	Ellis H. Wilkinson
† 1924	William Brooks
† 1925	Rev. R. N. Burns, DD
† 1926	Col. A. E. Kirkpatrick, Hon. ADV, VD
† 1927	Col. Alexander Fraser, LLD, ADC
† 1928	Robert H. Fennell, KC
† 1929	Hugh S. Eayrs
† 1930	John D. M. Spence, KC
† 1931	H. G. Stapells, QC
† 1932–1933	Col. The Hon. George A. Drew PC, CC, CD, QC, LLD
† 1933–1934	Major James Baxter, MC
† 1934–1935	The Hon. Mr. Justice Dana H. Porter, CJO, QC, LLD
† 1935–1936	J. H. Brace
† 1936–1937	Major G. B. Balfour, KC

†Deceased

† 1937–1938	Major R. M. Harcourt
† 1938–1939	J. P. Pratt, QC
† 1939–1940	F. A. Gaby, BASc, DSc
† 1940–1941	The Hon. G. Howard Ferguson, PC (Can.), KC
† 1941–1942	C. R. Sanderson, MA, LLD
† 1942–1943	John C. M. MacBeth, KC
† 1944–1945	Charles R. Conquergood
† 1943–1944	W. Eason Humphreys
† 1945–1946	Eric F. Thompson
† 1946–1947	Major F. L. Clouse
† 1947–1948	Tracey E. Lloyd
† 1948–1949	T. H. Howse, FCIS
† 1949–1950	H. C. Colebrook
† 1950–1951	Sydney Hermant
† 1951–1952	D. H. Gibson, CBE
† 1952–1953	John W. F. Griffin
1953–1954	Arthur E. M. Inwood
† 1954–1955	James H. Joyce
† 1955–1956	C. C. Goldring, DPaed, LLD
† 1956–1957	Donald H. Jupp, OBE
† 1957–1958	Lt.-Col. W. H. Montague, OBE
† 1958–1959	Maj.-Gen. B. J. Legge CMM, CM, KStJ, ED, CD, QC
1959–1960	Harold R. Lawson, FSA
† 1960–1961	The Hon. Alexander Stark, QC
† 1961–1962	Dr. Z. S. Phimister, LLD
† 1962–1963	Dr. J. Palmer Kent, QC
† 1963–1964	Major Arthur J. Langley, CD
† 1964	The Rt. Hon. D. Roland Michener PC, CC, CMM, CD, QC
1964–1965	Col. Robert H. Hilborn, MVO, MBE, CD
† 1965–1966	Col. E. A. Royce, ED

†Deceased

1966–1967	R. Bredin Stapells, QC
† 1967–1968	B. Graham M. Gore
1968–1969	Edward B. Jolliffe, QC
1969–1970	H. Ian Macdonald OC, KLJ, BCom, MA, BPhil, LLD
1970–1971	H. V. Cranfield, MD, FRCP(C)
1971–1972	Col. The Hon. Henry N. R. Jackman, CM, KStJ, OOnt, BA, LLB, LLD
† 1972–1973	The Hon. Mr. Justice Joseph H. Potts, OStJ, CD
† 1973–1974	Robert L. Armstrong
† 1974–1975	Sir Arthur R. T. Chetwynd, Bt, SCM, KCIJ
1975–1976	H. Allan Leal, QC, LLD
† 1976–1977	William M. Karn
1977–1978	Peter Hermant
1978–1979	Maj.-Gen. Reginald W. Lewis, CM, CMM, CD
1979–1780	John A. MacNaughton
1980–1981	Reginald Stackhouse, MA, LTh, PhD, DD
† 1981–1982	Brig.-Gen. S. F. Andrunyk, OMM, CD
1982–1983	Henry J. Stalder, BSc, DBA
1983–1984	Douglas L. Derry, FCA
1984–1985	Catherine R. Charlton, MA
1985–1986	Harry T. Seymour, PEng, FFAF
1986–1987	Nona Macdonald
1987–1988	Ronald Goodall, FCA
1988–1989	Tony van Straubenzee
1989–1990	Sarah Band, DStJ
1990–1991	Major The Rev. Canon Harold F, Roberts, CD, BA, MDiv, AdeC
1991–1992	John F. Bankes
1992–1993	Robert L. Brooks
1993–1994	Col. Frederic L. R. Jackman, CStJ, PhD, LLD
1994–1995	John A. Campion

†Deceased

1995–1996	David A. Edmison
1996–1997	Julie K. Hannaford
1997–1998	Gareth S. Seltzer
1998–1999	George L. Cooke
1999–2000	Robert J. Dechert
2000–2001	Catherine Steele
2001–2002	William D. Laidlaw
2002–2003	Ann Curran
2003–2004	John C. Koopman
2004–2005	Bart J. Mindszenthy
2005–2006	William G. Whittaker, QC

†Deceased

Dr. John S. Niles, MSM
President, 2006–2007

THE EMPIRE CLUB OF CANADA PRESIDENT'S FOREWORD

It was the great Orator and Philosopher Seneca who said, "What is required is not a lot of words, but effectual ones." You will find between the covers of this book inspirational, motivational and effectual words. Vibrant words of men and women who are associated with the arts, business, government, religious, and world organizations.

As the premier public speaking forum of record, the Empire Club of Canada has provided the unique opportunity to our guest speakers to deliver their important message not only to the audience that was present that day; but also, to those watching on television and live on the Internet. Many of our guests this year were individuals who played important roles in shaping the course of international affairs with worldwide ramifications, while others exercised their personal expertise and spoke on local and national issues and events. From presidents of countries to prominent evangelists and religious leaders and ambassadors, they represented different countries and points of view. The prophetic and penetrating insights expressed are found within.

Our year began with the President of Latvia, Dr. Vaira Vike-Freiberga, who had immigrated to Canada when she was 17 years of age and after being educated and later becoming a professor in a Canadian university she returned to her homeland to be elected President. Her fascinating story is found within. Later this same year, we hosted a Liberal leadership debate with Moderator Amanda Lang, Stéphane Dion, Bob Rae, and Gerard Kennedy. We faced some controversy when Lord Black of Crossharbour took the podium and also when the Ambassador of the United States, the Honourable David Wilkins, spoke; and we overcame the challenge of co-ordinating the arrival of the World Grand Chess Master and Russian Political Opposition Leader Garry Kasparov.

We, at the Empire Club of Canada and all who attended this year, were the beneficiaries of their wisdom, insight and acumen. Oliver Wendell Holmes said, “Language is the blood of the soul into which thoughts run and out of which they grow.” The thoughts and insights of the many distinguished individuals, who graced our podium, live on in the Empire Club book, published each year and distributed to 3,000 Canadian libraries, universities, and to all our members and archived on the Internet to be read around the world. It is a valued resource for researchers and students and important in itself as an historical document. This volume joins the others before it, forming the legacy of the Empire Club of Canada.

We are grateful to the benefactors and donors who have made this keepsake available to us to enjoy for years to come.

Rev. Dr. John S. Niles, MSM,
President, 2006-2007

TABLE OF CONTENTS

1 **H.E. Dr. Vaira Vike-Freiberga**
MULTILATERALISM AS THE RESPONSE TO CONTEMPORARY CHALLENGES

13 **Anne Graham Lotz**
GOOD NEWS

23 **The Hon. Tony Clement**
WAIT-TIME GUARANTEES IN CANADA'S HEALTH SYSTEM

36 **Gerard Kennedy, Stéphane Dion, Bob Rae**
A DEBATE BY THREE LIBERAL LEADERSHIP CANDIDATES

62 **Conrad Black**
THE CHANGING POLITICAL FACE OF CANADA

77 **The Hon. Gordon Campbell**
THE PACIFIC CENTURY

90 **Elyse Allan**
ASSURING CANADA'S PLACE IN THE TRANSFORMING GLOBAL ECONOMY

103 **Joey Tanenbaum**
MY GRANDPARENTS' LEGACY

112 **Larissa Becirovic, Julie Harmgardt, Joseph Singh**
STUDENT ESSAYS ON "WHAT A MAYOR SHOULD DO"

121 **Peter F. Love**
GREEN IS GOLDEN: HOW TO PROFIT FROM ONTARIO'S NEW ERA OF CONSERVATION

132 **Dr. Madsen Pirie**
THE ECONOMIC FUTURE OF CANADA

142 **Fred Green**
BUILDING COMPETITIVENESS: A NEW TRANSPORTATION VISION FOR CANADA

156 **The Rt. Hon. Edward N. Lowassa**
INVESTMENT OPPORTUNITIES IN TANZANIA

164 **The Hon. James K. Bartleman**
ANNUAL CHRISTMAS LUNCHEON

170 **Photographs**

237 **Andrew Pyle, Jeffrey G. Rubin, George Lewis**
ANNUAL FINANCIAL FORUM

254 **Dr. Alastair J. S. Summerlee**
NEW OPPORTUNITIES FOR GLOBAL CITIZENSHIP

264 **The Hon. Michael Wilson**
CANADA-U.S. RELATIONS: OUR COMMON CAUSE AGENDA IN A PERILOUS WORLD

278 **Dr. Alan R. Hudson**
WAIT-TIME STRATEGY

291 **Mary Simon**
THE INUIT IN A CHALLENGING WORLD

302 **Karen Oldfield**
TRADE WITH INDIA THROUGH THE PORT OF HALIFAX

313 **The Hon. David Wilkins**
ISSUES IN CANADA-U.S. RELATIONS

325 **The Rt. Hon. Beverley McLachlin**
JUSTICE IN OUR COURTS AND THE CHALLENGES WE FACE

336 **The Hon. Greg Sorbara**
THE ONTARIO BUDGET

344 **His Excellency H. E. Daniel Jouanneau**
ON THE EVE OF PRESIDENTIAL ELECTIONS: FRANCE'S MAJOR CHALLENGES

358 **Linda Hasenfratz**
THE NEW FACE OF LINAMAR: THE EVOLUTION OF A BRAND

367 **J.W. Marriott, Jr.**
TRAVEL—A FORM OF TRADE BETWEEN THE U.S. AND CANADA

375 **His Excellency Laszlo Solyom**
HUNGARIAN-CANADIAN RELATIONS

381 **William Thorsell**
THE MUSEUM AS THE NEW AGORA

392 **Kim Shannon**
WHO IS AFRAID OF THE CANADIAN STOCK MARKET?

401 **The Hon. Michael Kirby**
CHILDREN'S MENTAL HEALTH IS EVERYBODY'S BUSINESS

415 **Dr. Margaret MacMillan**
THE START OF A NEW WORLD ORDER?

432 **BGen. David A. Fraser**
CANADIANS IN AFGHANISTAN

445 **The Most Reverend Thomas Collins**
THE CONTRIBUTION OF RELIGION TO SOCIETY

457 **Akela Peoples**
TOP 20 UNDER 20

465 **Antoni Cimolino**
THE STRATFORD EXPERIENCE

481 **Garry Kasparov**
BIG PICTURE THINKING AND DEMOCRACY IN RUSSIA

494 **Rocco Rossi**
A CANADIAN DREAM

503 **In Memoriam**

505 **Annual General Meeting**

516 **Membership**

525 **Financial Statements**

532 **Empire Club Foundation**

542 **Constitution**

September 21, 2006

H.E. Dr. Vaira Vike-Freiberga

President, Republic of Latvia

MULTILATERALISM AS THE RESPONSE TO CONTEMPORARY CHALLENGES

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada; Karlina Kaulins, Environmental Studies Student, Carleton University; Reverend Dr. Fritz T. Kristbergs, Pastor, St. John's Latvian Lutheran Church, Toronto; Imants Freibergs, President, Latvian Information and Communications Technology Association; Edvins Hermanovics, Former School Principal in Dryden; Her Excellency Claire A. Poulin, Ambassador of Canada to the Republic of Latvia; His Excellency Atis Sjanitis, Ambassador of the Republic of Latvia to Canada; Kamal Hassan, CEO, Applied Location, and Director, The Empire Club of Canada; Dr. Reginald Stackhouse, Principal Emeritus and Research Professor, Wycliffe College, University of Toronto, Former Canadian Representative to the UN General Assembly, and Past President, The Empire Club of Canada; The Hon. Aigars Stokenbergs, Minister of Economics, Republic of Latvia; and Dr. Esther Farlinger, President and CEO, Justme & Design Association Ltd., and Director, Transac Inc.

Introduction by John Niles

Madame President, ambassadors, honoured guests, Past Presidents, Directors, members and guests of the Empire Club of Canada:

It was Immanuel Kant in 1795, who first put forth the concept of a peaceful community of nations in his "Perpetual Peace: A Philosophical Sketch."

This grand idea of a peaceful community of nations was again envisioned by British Foreign Secretary Edward Grey and later adopted by U.S. President Wilson, and was called the League of Nations.

The League of Nation's task was simple—ensure that war never broke out again.

A noble vision; the problem was that the League of Nations had little power to stop it from happening and was in need of reform, and some have said the same of the United Nations, which followed it in 1942 when representatives of 26 nations pledged their governments to continue fighting together against the Axis Powers.

Since that time, 166 more nations have joined the ranks of the United Nations including Latvia, which joined in 2004 bringing the total member nations to 192 as of this year; yet even as the numbers have grown the power to stop bloodshed seems to have diminished.

Never one to pull her punches our speaker Madame President Vaira Vike-Freiberga spoke of the need for reform within the UN just recently.

"I was pleased that the General Assembly managed to agree in principle on the necessity for sweeping and fundamental reforms....

"Too often in the past, the UN has been unable to prevent genocide and lasting bloodshed: in the Congo, in Rwanda, in the former Yugoslavia and in the Darfur region of Sudan."

One of the UN's fundamental roles lies in the defence of human rights. The "...best way to gain credibility (in this area) would be by starting with a thorough and unbiased evaluation of the human rights record of its own newly elected council members."

In speaking about the need of other types of reforms she said, "I think that too many women in too many ways have allowed themselves to be discouraged by the knowledge that there are all-boys clubs' operating, that the boys get together, and that they make the deals."

After reading this, I have to say I completely agree—the truth is always good. However, I have always said, "The truth will make you free but first it will make you miserable."

Though it's not necessarily the best way to win friends and influence people, it's a story that might have been written by Disney: A small girl flees her war-torn homeland, then returns decades later to become president—a fairy tale. However, that very unlikely fairy tale came true in 1999 when Her Excellency Vaira Vike-Freiberga was sworn in as Latvia's president.

She was just seven when her family fled the Soviet invasion in the closing days of World War II. Their journey from Latvia was treacherous; some ships taking the same route were torpedoed and sunk. After living in disease-infested refugee camps in Germany, they eventually settled in Canada, where President Vike-Freiberga's first job was as a bank teller. She later became a respected psychology professor at a Montreal university.

She married a fellow exile and made an academic career of studying Latvian identity. After retiring in 1997, she boarded a plane and returned to Latvia to head the Latvian Institute. A year later, she'd been drafted in as a dark-horse candidate for president.

Some doubted her ability to accomplish much given the fact that she had no political experience and that she had spent almost 55 years outside Latvia, and yet she won and has since been heralded as Latvia's most popular and arguably most competent leader, having won re-election in 2003. She is now one of six in the running for the position of General Secretary of the United Nations. And is rumored to be one of a handful of people who are on a list at the White House that when they call President Bush always answers.

The Madam President is fluent in Latvian, French, English, Spanish and German and partially in Portuguese and Italian.

She has been described as the Iron Lady of Latvia—reminiscent of former Prime Minister Margaret Thatcher—and is still listed on the Forbes list of the world's 100 most powerful women.

Her list of accomplishments, degrees, honours and awards fill six typed pages and are too numerable to mention.

When others, after retirement, sought to relax and take trips around the world, Her Excellency boarded a plane and went on to become the president of her homeland and make a difference in the world.

If that doesn't put a spin on "Freedom 55," I don't know what does!

What this says to us is this, that one person with purpose, vision and passion can change the world.

Will you please greet with me the President of the Republic of Latvia, Her Excellency President Dr. Vaira Vike-Freiberga.

Vaira Vike-Freiberga

Excellencies, ladies and gentlemen, it is an honour for me to speak here at the Empire Club in Toronto, the city where I first lived upon arriving in Canada in 1954 as a 16-year-old war refugee, and to join a long list of illustrious speakers who have addressed it in the past. Among the first speakers to address the Empire Club after the Second World War on the subject of transatlantic relations was the last British Governor-General of Canada, Lord Harold Alexander. Long before he became known as Alexander of Tunis, he had served in my own country of Latvia. As a 28-year-old lieutenant-colonel, Alexander had been given command of the Baltic German Landeswehr in the Latvian War of Liberation. In 1920, leading the units of the Landeswehr that were loyal to the newborn republic, Alexander helped to liberate Latvia from Bolshevik rule.

Latvia had declared its independence on November 18, 1918, but was able to hold its first national elections only in the spring of 1920. Our first freely elected parliament, the Constituent Assembly, drafted the constitution that we still use today. The relations between Latvia and Canada, then still a Dominion, date to January 26, 1921, when the Entente acknowledged our sovereignty. This is the day we still celebrate in Latvia as the anniversary of our de jure recognition.

Like Canada, which was a founding member of the League of Nations, Latvia tried to find its place among the nations of the world through multilateralism. However, by 1936, when Latvia was elected to the Council of the League, storm clouds had already gathered over Europe and Asia. The League of Nations was in decline.

In the words of the historian Inesis Feldmanis, "The hopes of Woodrow Wilson ... that the League might lift international relations from the use of force to a new level, namely, the co-operation of all countries to secure world peace, were destined to remain an idealistic dream. The United States refused to join, and Germany and Russia were long outside it." The western democracies abandoned the principle of collective security, opting instead for policies of appeasement.

Precariously balanced between Nazi Germany and Soviet Russia, with the League of Nation's ineffectiveness becoming increasingly obvious, Latvia abandoned the league's ailing principles of collective security in 1938, and declared itself to be a neutral country. This did not prevent it from being invaded in 1940, as a result of the secret Molotov-Ribbentrop Pact of 1939 that divided Eastern Europe into zones of influence between the two totalitarian states.

Hitler was the initial victor of the "lost peace" that inexorably moved on to become the wide scale conflict of the Second World War, but Stalin was the one who ultimately triumphed and benefited. Latvia was only one among the many victims. When Alexander of Tunis, the liberator of Italy and North Africa, addressed the Empire Club in 1946, Latvia was not able to re-emerge as a nation and to attempt to make the idealistic dream of world peace become a reality. My country had to suffer under Soviet occupation for nearly half a century more, before its sovereignty was at last restored in 1991. Canada, which had never recognized the forcible incorporation of the Baltic States by the USSR, was the first of the G-7 countries to resume diplomatic relations with Latvia.

In the 15 years that have passed since then, Latvia, with the assistance of its partners, including Canada, has transformed itself, a proof that sometimes painful reforms can be accomplished rapidly if there is the political will and concerted effort to do it. For half a century, Latvia had been reduced to a province in a totalitarian empire. Today it is a full member of the European Union. Free speech was persecuted with repressions and deportations. Today, according to Reporters Without Borders, we rank with Canada among the countries with the freest press. Fifteen years ago, we were part of a stagnant command economy that had criminalized private initiative. Today, we have a free economy with double-digit growth rates. In the first quarter of this year, Latvia's annual GDP growth rate was a stunning 13.1 per cent, the highest rate in the European Union. Only 12 years ago, the last Soviet occupation troops were withdrawn from Latvia. By 2004 we were full members of NATO, and this November we will host the NATO Summit in our capital city of Riga.

Excellencies, ladies and gentlemen, the dream of world peace is indeed idealistic—but it is not unrealistic. By understanding history we can learn from our mistakes and do better in the future. The League of Nations failed dismally in its primary mission of preventing another world war. Nevertheless, the league was not a total failure. The World Health Organization began life as a league body. The International Court of Justice, now the principal judicial organ of the United Nations, is a stepchild of the league. The International Labour Organization, now a specialized agency of the UN, was also originally an agency of the league. No small part of the body of international law was developed in connection with the League of Nations. Latvia is proud to be counted among those nations that have made a significant contribution to that institution.

After World War II, the West did not abandon collective security in favour of appeasement, as it had done in the period leading to its outbreak. With the signing of the North Atlantic Treaty in 1949, Canada and the other 11 democracies made a strong commitment to the survival of democratic values and free-market economies. The establishment of the Warsaw Pact confirmed what had been apparent to many already in 1945. An Iron Curtain had descended upon the continent. To the east of that curtain, totalitarian regimes rejected the values we hold dear. The strivings of those who sought to restore those values were crushed by brute force, most notably in Hungary 50 years ago, and in Czechoslovakia in 1968.

The member states of NATO, including Canada, stood firm for half a century in the face of a Soviet threat, thus establishing a balance of forces that the Soviets dared not challenge. These democracies consolidated their forces to provide true collective security. When the ultimate collapse of the USSR ended the Cold War, the transatlantic alliance did not need to search for a reason to continue existing. The maintenance and expansion of a secure space for democracy had become vital elements of contemporary international relations.

Excellencies, ladies and gentlemen, the strength of the transatlantic alliance lies in its effectiveness and in its real capability to respond to real threats. Unlike the pre-war League of Nations, the post-war NATO has not failed. The European nations that had been held captive by a totalitarian power could see evidence of the effective collective security that NATO had provided during the Cold War. For Latvia, NATO membership provides the security that had proven so elusive when we achieved independence after the First World War. A recent survey shows that nearly 80 per cent of the inhabitants support our membership in NATO and 57 per cent feel that our participation in peacekeeping operations abroad is necessary. We are grateful for the extensive support we have received from Canada during our path to membership into NATO and for the fact that Canada was the very first country to ratify the NATO membership protocols for the new members in 2003.

The transatlantic alliance does not require complete agreement in all matters. Its members retain their national interests—their differing geopolitical, cultural, and historical experiences. We are united by our common values. We are united by our shared vision and our commitment to working in concert to protect our democratic societies. We are also united in our understanding that the threats we face have changed dramatically since the Iron Curtain came down. We are now confronted with such pressing issues as international terrorism, the spread of weapons of mass destruction, and the trafficking of drugs and human beings. In order to overcome these new threats to our values and our security, NATO, which has been a creative instrument for shaping change in the past, must continue its process of transformation and rejuvenation. NATO must remain an active alliance that projects stability not only in Europe, but also elsewhere in the world.

In view of the warm welcome that the Euro-Atlantic community gave it, Latvia is especially devoted to maintaining the open-door policies that made its own transformation possible. Those countries that support our values and embark upon the path of reform must be offered a helping hand. By supporting the efforts of those who are eager to integrate into the multilateral structures of which we are members, by offering them partnership and the promise of full membership in the future, we strengthen our own security.

Latvia is devoting concerted efforts to assist Ukraine, Georgia and Moldova, in particular. We support offering NATO's Membership Action Plan to Ukraine by the Riga Summit or soon after, if there is a political will in that country for continued reforms and progress. We also support Georgia's endeavours to establish a closer relationship with the alliance.

Latvia also hopes that Europe can establish a pragmatic working relationship with Russia, which has an important role to play in the world's security architecture. Russia's active participation is essential for countering international terrorism and the proliferation of weapons of mass destruction. At the same time, we must not shy away from a constructive dialogue with Russia even on the most sensitive issues, including the consistent adherence to democratic principles and the rule of law.

Europe must strengthen its capacity to contribute to our collective security. The role of the European Union in the resolution of so-called "frozen conflicts," for example, is particularly important. Europe must also realize that it cannot rely upon North America to the degree that it has in the past. Europeans must continue to work towards the creation of a common foreign policy. The recent crisis in Lebanon demonstrates the need to enhance Europe's ability to respond to crises rapidly and effectively.

Excellencies, ladies and gentlemen, the transatlantic alliance can be seen as a successful breakthrough after the failed attempts at collective security between the two world wars. NATO has provided its member states with security, but it is not, and is not meant to be, a global organization. The major challenges we face today are global in scope. Just as NATO needed a transformation to respond to 21st-century threats to our security, the United Nations Organization needs to be transformed today. Secretary General Koffi Annan has called for the most far-reaching reforms in UN history, but what we have accomplished thus far can only be called the initial steps.

We need to take larger, more ambitious steps in this process. We should bear in mind that what some perceive as the United Nations' weakness can also be seen as its strength. The UN's decisions are often prolonged and diluted due to the difficulty of reaching agreement among a diverse community of nearly 200 member states. These decisions, however, bear a unique legitimacy, moral weight, and political authority, having reached consensus despite these differences.

UN Secretary General Dag Hammarskjöld addressed the Empire Club in 1954. He spoke of "a world that has become so closely and irrevocably interdependent as ours" requiring a "world organization—a centre, in the words of the Charter, 'for harmonizing the actions of nations' in the attainment of common ends." Today we live in a world where states are even more "closely and irrevocably interdependent" than they were half a century ago. Mr. Hammarskjöld went on to say, "It is, of course, true that at almost every session of the United Nations you will find more evidence of disharmony than of harmony. In this respect the United Nations is only an accurate mirror of the actual state of affairs in the world. But disharmony is the very reason why a centre for harmonizing is necessary. We may regret and even deplore the frequent bitterness of the debates in the United Nations, but we should never make the mistake of thinking we would be better off if these debates did not take place. For the differences and the conflicts exist. We cannot escape them. We have to live with them and deal with them."

Dag Hammarskjöld's insight has even more validity in today's world. As a Special Envoy of the Secretary General on the reform of the United Nations, I have been emphasizing that none of the members of this global organization will be able to receive everything they desire from the reform process. We cannot afford to approach the reform of the UN as a "zero-sum game." It is natural for different areas of the world to have different priorities and threat perceptions, but it is surely in our common interest to adopt an inclusive and democratic approach to the reform of the UN and to achieve positive changes for the benefit of all.

While I welcome the progress made so far in management reforms, I consider them to be only the first steps in the process of transforming the United Nations into a more efficient and accountable organization, as agreed at the General Assembly last year. A secretariat with the necessary resources to deal with contemporary challenges is an important element in any system of collective security. The issues of governance, oversight and accountability, human resources management and procurement reform are among those where further action is necessary.

With regard to the challenge of post-conflict rebuilding, we set our hopes on the creation of the Peacebuilding Commission. By bringing together the UN's broad experience in conflict prevention, mediation, peacekeeping, respect for human rights, the rule of law, humanitarian assistance, reconstruction and long-term development, the Peacebuilding Commission will strengthen the capacity of the United Nations in maintaining sustainable peace and security.

A revitalized, more effective General Assembly is a goal for which the UN's member states have been striving. Much has also been said about the need for reforming the Security Council. While this matter should not overshadow the rest of the reform process, I have no doubt that progress on this issue would invigorate overall reform efforts at the UN.

One of the major changes in the international system since the end of the Cold War is that concerns about national sovereignty or territorial integrity are sometimes outweighed by concerns for human security. Such concerns have been occasioned by the international community's increasing focus on the observance of human rights. The creation of the UN Human Rights Council this June was an attempt to bridge the looming gap between some member states' commitment and performance with regard to human rights.

As Canada's Foreign Minister Peter MacKay recently said at the inaugural session of the HRC, "Canada has always been a proponent of multilateralism—but above all, we are proponents of effective multilateralism that favours concrete results over processes." I would agree with the Honourable Mr. MacKay. Canada has long been at the forefront of protecting and promoting human rights. Latvia, too, believes that countries must make human rights considerations a top priority in all decision-making processes. If the HRC is to produce the results we hoped for when this new institution was created, we must make a common effort to ensure that the council provides real and effective leadership. The council needs a capacity for timely and efficient response to deteriorating human rights situations, wherever they may arise, in order to help those people whose welfare is at stake. The effectiveness of the council depends entirely upon the political will of the UN's member states.

Excellencies, ladies and gentlemen, we must always remember that the lives of people in peril are often dependent upon the strength of our multilateral institutions. Secretary General Koffi Annan has urged heads of state and government to "embrace the 'responsibility to protect' as a basis for collective action against genocide, ethnic cleansing, and crimes against humanity." Latvia sees Canada as its strategic ally and trusted partner not only in this regard, but in many others. We look forward to working together with Canada to restore faith in the UN, to build a greater sense of trust and balance among its member states and "to reaffirm," as the UN Charter declares, "faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small."

The appreciation of the meeting was expressed by Kamal Hassan, CEO, Applied Location, and Director, The Empire Club of Canada.

Her Excellency Dr. Vaira Vike-Freiberga, President of the Republic of Latvia, and Dr. John S. Niles, President, The Empire Club of Canada.

September 26, 2006

Anne Graham Lotz

President, AnGeL Ministries

GOOD NEWS

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Margaret M. Samuel, Chief Investment Officer, Quadrexx Asset Management, and Director, The Empire Club of Canada; Carole Inman, Director, AnGeL Ministries; Alana Walker Carpenter, CEO, Intriciti; Dr. Ken Gamble, Executive Director, Missionary Health Institute, and Dr. Billy Graham's Physician; Edwin Barkey, President, Edwin Barkey Construction Ltd.; Howard Moore, Director, Greater Europe Missions in Canada; Lorna Dueck, Executive Producer, Media Voice Generation, and Host, ListenUp TV; Don Morrison, COO, Research In Motion; Jonathan Wellum, Chief Investment Officer, AIC Investment Services Inc.; David Fleck, Executive Managing Director, BMO Nesbitt Burns Inc.; Fraser M. Fell, Counsel, Fasken Martineau DuMoulin LLP; Dr. Brian C. Stiller, President, Tyndale University College and Seminary; William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada; Cathie Ostapchuk, Co-Chair, Just Give Me Jesus, Toronto; Graham F. Alloway, Managing Partner, Alloway & Associates; Thomas S. Caldwell, Chairman, Caldwell Securities; Arnold Heron, Founder, Timbren Industries Ltd.; Gerry O'Mahoney, COO, TD Waterhouse; Donald Simmonds, President, Air IQ; Reverend Bruce

Smith, Chaplain, King-Bay Chaplaincy; and Morrow Reitmeier, Anne Graham Lotz's Daughter.

Introduction by John Niles

Benjamin B. Warfield, who was perhaps one of the most famous professors in the history of Princeton University, researched the life of Jonathan Edwards and Max Jukes. He analyzed 1,394 descendants of Jonathan Edwards and 1,200 descendents of Max Jukes.

Jonathan Edwards, who had been perhaps the greatest philosopher, theologian, and revival preacher the world has ever known, became president of Princeton University in 1758.

Warfield discovered that of the over 1,300 descendants of Edwards, 13 became college presidents, 65 became college professors, 30 became judges, 100 became lawyers, 60 became physicians, three became United States senators and 80 became public servants in various capacities.

Warfield found in contrast that Max Jukes, who had been an atheist and criminal, found that he had 300 descendants who died as paupers, 150 were criminals (including seven murderers), 100 were alcoholics, 50 per cent of the female descendants became prostitutes and 540 cost the state $1.25 million.

Like Jonathan Edwards, Dr. Billy Graham not only had an incredible ministry that transformed millions of lives, but he created a family dynasty that has continued his legacy with everyone of his children giving leadership in profound ways throughout the world.

Her father, Dr. Graham, has called her "the best preacher in the family."

Anne Graham Lotz is the second daughter of Billy and Ruth Graham, and President of AnGeL Ministries, Raleigh, North Carolina.

Anne Graham Lotz has passionately proclaimed God's Word to people around the world for over 30 years. Her gripping narratives and heart-touching teachings have inspired listeners in arenas and prison cells, stadiums and Bible studies, sanctuaries and seminaries, the United Nations, the World Economic Forum and Amsterdam 2000.

In the year 2000, Anne launched "Just Give Me Jesus," life-changing revivals for women, which have been held in over 20 cities around the world, including Seoul, South Korea, London, England, Cardiff, Wales, San Juan, Puerto Rico, Asuncion, Paraguay, and Kiev, Ukraine. This year she has brought the event to Panama City, Panama, New Orleans, Louisiana and the week of her Empire Club appearance "Just Give Me Jesus" comes to Toronto's Air Canada Centre. The events are offered free of charge, so all may attend.

"Just Give Me Jesus Toronto" is being hosted by a vast, volunteer organizing committee comprised of Christian women from throughout Greater Toronto.

Beyond her vast speaking appearances that have taken her to every continent except Antarctica, Lotz was the only woman to be a plenary speaker at the International Congress of Itinerant Evangelists in Amsterdam in 1983, 1986 and 2000 and at the School of Evangelism in Moscow in 1991. She has received five honorary doctorates. She presently serves on the Board of Directors for the Billy Graham Evangelistic Association, the Board of Trustees for the Gordon-Conwell Theological Seminary and the Board of Regents for Baylor University, having previously served on the Board of the Evangelical Council of Financial Accountability.

Anne is an award-winning and best-selling author. Her nine books include her signature book "Just Give Me Jesus" and her most recent release "I Saw The LORD." Each day, her daily radio program is heard on more than 500 outlets in the U.S. and Canada.

Anne's aim is clear: it is to bring revival to the hearts of God's people. And her message is consistent; she calls people to a personal relationship with God through His Word.

Anne Graham Lotz

GOOD NEWS!

There has been a lot of bad news lately, hasn't there? In the past two weeks, the Toronto Star has carried the following headlines:

- Woman, gunman dead in Montreal school rampage;
- 1.5 million Canadians living in poverty;
- Windsor hit the hardest: Ford Motor Company to cut another 1,000 jobs in southern Ontario; and
- Harper admits: "Canada engaged in a war."

There is bad news at present, and there has been bad news in the past.

Two thousand years ago, at the beginning of the first century, there was also a lot of bad news. The world was dominated by the Roman Empire that ruled with an iron fist; non-Romans were oppressed and enslaved; disease and poverty were widespread; political and religious corruption poisoned the society.

Against that backdrop of bad news, Jesus Christ walked into the local synagogue, picked up a copy of the Scriptures, turned to the book of Isaiah, and read aloud the following words:

"The Spirit of the Lord is on me, because He has anointed Me to preach good news to the poor. He has sent me to proclaim freedom for the prisoners and recovery of sight for the blind, to release the oppressed, to proclaim the year of the Lord's favour."

Jesus Christ announced good news to the world of His day.

And I've come to announce the same good news to you: The good news that Jesus offers you forgiveness of sin, freedom from suffering and oppression, and favour with God.

Have you ever wondered: What's wrong with us?

Didn't you wonder what was wrong when Kimveer Gill stormed into the Dawson College lunchroom and opened fire with an automatic weapon?

And do you remember all the high hope of New Year's Eve 1999, when we were on the brink of the new millennium? Within 18 months, when our hope was shattered by terrorism and war, did you wonder, what's wrong with us?

When we take the golden opportunity for prosperity in the Middle East and blow it up through sectarian violence and tribal hatred…

When we take the brilliant medium of video conferencing, which can train medical surgeons in 3rd world countries and use it for pornography…

When we take lifesaving drugs and turn them into life-enslaving addictions…

What's wrong?

There seems to be a dark side to the human race, doesn't there? For every good thing, there seems to be an evil counterfeit. We can probe the deepest secrets of the universe and push back the frontiers of technology, but we can't get along with other people, even within our own families. We can't break self-destructive habits. And our whole world is filled with racism, injustice, hatred, violence, heartache, and death.

What's wrong? Is it ignorance? Do we just need more education?

Or poverty? Do we just need more money?

Or some kind of psychological dysfunction? Do we need more therapy?

The Bible says there is something wrong with us—we have a heart problem. Jesus said that out of the heart come evil thoughts, murder, adultery, sexual immorality, theft, false testimony, and slander.

That which is wrong with our hearts is called sin.

And the Bible says all of us are sinners; we were born that way. And sin eats away at us like spiritual cancer. It separates us from God, it destroys our life's purpose, it deforms our character, it divides us from each other, and in the end, it condemns us to hell.

Which is why Jesus came. He came to announce the good news that He can fix the human heart!

Jesus said He alone had the authority on earth to forgive sin.

The Bible says He is the only God and Saviour. There is none other.

He can give you a new heart and put a new spirit within you. He died on the Cross, as God's sacrifice for your sin, then rose up from the dead to give you eternal life.

There is good news:

Today, through His shed blood, you can have a new heart—one that is cleansed and forgiven of any sin, of all sin, of large sins, of small sins, of past or present or future sins.

Jesus has come to offer you forgiveness of sin.

Secondly, Jesus has come to offer us good news of freedom from suffering.

Why do we suffer? I don't know…

We seem to fix one social problem, only to have a worse one pop up in its place. We have poverty, famine, pollution, disease, racism, war, genocide, murder, ethnic cleansing, child abuse, pornography, and the list goes on.

I don't know why God allows bad things to happen to good people, to innocent people, to helpless people, to defenceless people, to children, to you and me. Why do the young die? Why do the godly perish? Why do the wicked prosper? I don't know!

BUT…I do know that God did not intend the world to be this way.

I do know that the Bible says God will set it all right and create a new heaven and a new earth where there will be no more crying or pain or suffering or death.

In the meantime, before we get to that new heaven and earth, we all have problems and we all suffer to one degree or another.

Here in Toronto, home to the Canadian stock exchange, the most multicultural city in the world with a free society and robust economy, people suffer and have problems.

I've actually never met a person, Canadian or otherwise, no matter how successful, who doesn't have problems.

The trouble is that we try to escape our problems through…taking drugs, or drinking alcohol, or committing suicide, or engaging in criminal activity, or just running away through pursuing pleasure, or success, or fame. Or we try to buy our way out of our problems. Or lie our way out. But often our ways of escape just lead to a more complicated set of problems and actually can increase our suffering.

Today, there is good news.

Jesus offers freedom from suffering. Not physical suffering, but the suffering of the human spirit. Suffering that we label boredom, guilt, shame, bitterness, loneliness, emptiness, hopelessness, and fearfulness.

The Bible says that Jesus understands the feelings of our suffering. He feels our pain. He knows what it feels like to hurt physically and emotionally and spiritually and mentally.

The Bible says that Jesus has come to bind up those who have… broken hearts… and broken homes… and broken hopes… and broken dreams… and broken lives.

Jesus has come to set the captive free.

You can find Him in the midst of your suffering if you truly seek Him because He loves you and longs to help you.

Jesus alone can give you…

- His peace in the midst of your storm,
- His hope in the midst of your despair,
- His comfort in the midst of your grief,
- His strength in the midst of your weakness,
- His wisdom in the midst of your confusion,
- His presence in the midst of your loneliness, and
- His joy in the midst of your pain.

There is Good News! Today you can be set free from spiritual oppression. Jesus has come to offer you freedom from the suffering of the human spirit.

Thirdly, Jesus has come to offer us the Good News of favour with God.

It's been said that death is the forbidden subject of our generation. The average person lives as though they were never going to die. Violence on TV, violence in the movies, violence in video games, and violence in the news has made us numb to death. On the other hand, modern medicine and attention to health issues have prolonged human life until death seems to be, at the worst, a remote possibility.

Yet the Bible says that it's appointed unto man once to die and then to face the judgment of God.

C.S. Lewis said that war doesn't increase death, because death is total in every generation.

King Solomon said there is a "season for every activity under heaven: a time to be born, and a time to die."

At some point in time, you and I are going to die. Do you ever think about your death? And when you do, are you filled with fear because of what comes next? Are you afraid to stand before God? Afraid He won't accept you?

The Bible says that God will accept you according to the good pleasure of His will when you place your faith in His Son, Jesus Christ.

The Bible says that now is the time of God's favour, now is the day of salvation. Right now. September 26, 2006.

Today could be the day of your salvation. You can go to sleep tonight, with peace in your heart, assured that if you died before morning, there is nothing to fear because you are right with God.

The choice is yours.

God's acceptance of you when you die is determined by your acceptance of His Son while you live. Let me repeat that: God's acceptance of you when you die is determined by your acceptance of His Son while you live.

There is a true story that took place years ago in London, England. A little boy heard that the great American evangelist, Dr. D.L. Moody, would be preaching in a local church. The little boy wanted to hear Dr. Moody, and so he went to the church. But when he arrived at the front door, and reached out to open it, the doorkeeper grabbed him, spun him around, and asked, "Where do you think you're going?" The little boy replied, "I'm going inside. I've come to hear Dr. Moody."

The doorkeeper looked at the dirty little boy, and said, "Not you. You're too dirty to go inside the church." And he refused to let the boy inside. The little boy looked for another way in, but there wasn't one. So he sat down on the front steps and began to cry. Just then a very distinguished looking gentleman walked up the steps, stopped, and asked why he was crying. The little boy explained he had come to hear Dr. Moody, but was told he was too dirty to go inside the church. The gentleman held out his hand, and offered, “Then take my hand.” The little boy did.

Hand in hand, the well-dressed gentleman and the dirty little boy walked up the front steps. When they came to the door that had been closed, it was now flung wide open. Hand in hand they walked down the centre aisle of the church. When they came to the front row, the gentleman placed the boy in a seat, then walked up onto the platform, stood in the pulpit, and began to preach. The gentleman was Dr. D.L. Moody.

The little boy was too dirty to get into that church on his own. The only reason he was admitted was because he was holding the hand of Dr. Moody.

You and I are too dirty in our sin to get into heaven. It makes no difference if you are Pope Benedict or Billy Graham or Mother Teresa or one of the luncheon servers today or the CEO of the largest corporation in Canada or the homeless man I saw on a bench beside the harbour this morning. The only way anyone ever gets into heaven is because he or she is holding the hand of Jesus.

And Jesus extends His hand to you at the Cross. You must place your hand of faith in His as you confess you’re a sinner, turn away from your sin, and claim Him as your personal Saviour and Lord, surrendering your life to Him.

When you do, He walks with you, hand in hand, through life. When it comes time for you to step into eternity, the door of heaven that would have been closed to you will be flung wide open, and you will walk right into your heavenly home. You will be as welcomed and accepted in heaven as Jesus is.

There is Good News! Today, when you place your hand of faith in His, you can know for sure that when you die, you will be accepted by God and welcomed into His heavenly home.

Jesus has come to offer you favour with God.

In one of his plays, Alexander Solzhenitsyn has as one of his central characters a man who has lived only for the moment and only for his own pleasure. Now he is dying, and as he looks over his life he realizes just how empty it has been, and how unprepared he is for eternity. Then he says to those gathered around his bed, "...the moment when it's terrible to feel regret is when one is dying..."

How should one live in order not to feel regret when one is dying?

Five minutes before you die, what will you wish you had done differently?

Is it possible to live without regret? To die without regret?

Yes, when we accept God's offer of Good News in Jesus Christ.

God has a plan for you, and life's greatest joy is in fulfilling that plan, and getting to know Him in the process.

After Jesus had read the words of Isaiah the prophet in the synagogue...

After He had announced the Good News, the Bible says, "He rolled up the scroll, gave it back to the attendant and sat down. The eyes of everyone in the synagogue were fastened on Him, and He said to them, "'Today, this scripture is fulfilled in your hearing.'"

In other words, Jesus didn't just come to bring good news, He is the Good News.

Through faith in Jesus, you can have forgiveness of sin, freedom from spiritual suffering and oppression, and the favour of God.

Today, Jesus is offering you Himself.

Would you take Him up on His offer?

The appreciation of the meeting was expressed by William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada.

October 5, 2006

The Hon. Tony Clement

Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, Government of Canada

WAIT-TIME GUARANTEES IN CANADA'S HEALTH SYSTEM

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Financial Group, and Director, The Empire Club of Canada; Emma Krause, Grade 11 Student, Bishop Strachan School; Rev. Canon Dr. George Sumner, Principal, Wycliffe Theological College, University of Toronto; Norman Maciver, CEO, West Parry Sound Health Centre and Lakefield Long-Term Care; Dr. Kevin Smith, President and CEO, St. Joseph's Healthcare, Hamilton; Mary Jo Haddad, President, Hospital for Sick Children; John Walter, Vice-President, Standards Development, Canadian Standards Association (CSA); Lisa A. Baiton, Vice-President, Government Relations, Environics Communications Inc., and Director, The Empire Club of Canada; Donna Kearney, BScN, RN(Ed), BA Gerontology, Nurse Practitioner, Rosseau Nursing Station; Leo Steven, President and CEO, Sunnybrook Health Science Centre; Hilary Short, President and CEO, Ontario Hospital Association; and Kevin P. Dougherty, President, Sun Life Financial Canada.

Introduction by John Niles

A little boy by the name of Tommy came to Canada from Scotland with his mother and sister. They arrived in Winnipeg, where they joined their father, who had come to Canada the year before.

Shortly after arriving in Canada Tommy was diagnosed with osteomyelitis in his right leg. Because Tommy's family was not wealthy and the family could not pay for the best or the most immediate treatment, the delay nearly cost Tommy his leg. This experience marked Tommy's life.

Tommy later went on to become a preacher—eloquent, flamboyant and fiery, a natural leader and scholar; and still later, a politician.

It's funny how we preachers get involved in such things. This preacher/politician went on to have a great deal to say about how to improve health care in Canada and as a result became the father of universal public health care.

And as you have probably guessed, I'm talking about Tommy Clement Douglas.

Though the politics are different, the Honorable, not Tommy, but Tony Clement, who is to be our speaker today, also has much to say about how to improve health care in Canada.

Mr. Clement once described himself as feeling a bit like Churchill's adversary, whom the great prime minister described as "a modest man—with much to be modest about!" This I highly doubt.

Tony was first elected as the Member of Provincial Parliament for Brampton South in June 1995. He was re-elected in June 1999 to represent the new riding of Brampton West-Mississauga.

Once in government, Tony quickly assumed leadership roles including chairing the government's "who does what implementation committee" and taking responsibility for referendum legislation.

He served as Parliamentary Assistant to the Premier and was appointed as the Minister of Transportation in October of 1997. Following his re-election in June of 1999, he was appointed the Minister of Environment.

Tony's tremendous abilities and enormous capacity were recognized by the Premier when he was given the additional responsibility of Minister of Municipal Affairs and Housing in October 1999.

Mr. Clement's leadership talents have not been limited to Brampton West-Mississauga and the Province of Ontario.

Tony Clement was elected to the House of Commons in 2006, representing Parry Sound-Muskoka. He was subsequently appointed

Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario (FedNor). Mr. Clement is also the Chair of the Social Affairs Committee of Cabinet.

In 2001, he was appointed Minister of Health and Long-Term Care. As health minister, he was responsible for a ministry with a $28-billion budget. He initiated primary-care reform, created the successful Telehealth system, oversaw the expansion of the hospitals' system and provided leadership for the country during SARS.

Prior to his election, Mr. Clement was counsel to a national law firm, a Visiting Fellow at the University of Toronto Faculty Of Law and was a small business owner.

Mr. Clement holds a Bachelor of Arts in political science and a law degree from the University of Toronto. He was born in Manchester, England, in 1961. Mr. Clement is married to Lynne Golding and is the father of three children. He resides in Port Sydney, Ontario.

Tony Clement

John, thank you so much for your kind introduction, and thank you to the Empire Club for inviting me. It's great to be back in Toronto, a place where I do not live, but like to visit.

Since 1903, the Empire Club has been the venue for national and international and, shall I say, rational speeches on the public policy of the day in this country. And what an able president we have with Dr. John Niles. He and his wife have cared for over 1,000 abandoned kids.

It was Benjamin Franklin who once said that the first mistake in public business is the going into it. Now clearly I haven't learned that lesson and I actually disagree with Benjamin Franklin. Actually Benjamin Franklin didn't agree with his own statement either because he had a very rich public life.

To our students in attendance here I wish to say that public life is a great privilege. You get to do good work, you get to help your neighbour and your fellow person and your community. It is a wonderful way to spend one's time. I want to say that for the record.

My life has changed a lot since being elected to the federal House of Commons and a lot has changed in national politics since January 23. Over the past eight months our new government has repeatedly demonstrated that we are committed to getting things done for Canadians. We believe we have delivered on our promises and we have kept a clear focus on our priorities because we believe them to be Canadians' priorities.

I am proud to be part of that team, to serve as the Minister of Health and as the Minister for the Federal Economic Initiative for Northern Ontario. I'm proud to play a role in delivering a new kind of government for Canadians. I would like to suggest to you that on items and issues that matter to everyday Canadians we are delivering. Our priorities have been clear:

- Restoring Canadians' faith in the federal government by introducing the most sweeping accountability measures in Canada's history;
- Rewarding hard work and helping Canadians get ahead by reducing the GST;
- Protecting families, communities and Canada's way of life, by cracking down on guns, gangs and drugs;
- Giving parents choice in childcare by providing direct financial support and new childcare spaces;
- And, in case you're wondering, guaranteeing timely health-care services to Canadians by moving towards a patient wait-time guarantee.

All of these matter to Canadians and so during the first session of Parliament our government made significant strides in addressing each of these issues.

First we brought forward new legislation aimed at ending a culture of entitlement and making sure that Canadians receive a full accounting of how their hard-earned tax dollars are spent. We promised greater accountability to Canadians and the House of Commons has passed the federal accountability act.

It's also no secret that Canadians are taxed too much. This tax burden hurts Canadian families and serves as a disincentive for both domestic and foreign investors. We are changing that and that is why in our first federal budget my colleague Jim Flaherty and our government brought forward almost $20 billion in tax-relief measures over the next two years. That's more than the last four federal budgets combined.

On July 1 of this year we reduced the GST to 6 per cent, we provided a new $1,000 Canada employment credit for working Canadians, and we introduced a new transit tax credit. All of these are important to Toronto's economic health and well-being. And so is the more than $500 million we made available in transit funding for Toronto and Ontario and the almost $360 million that Toronto gets in gas-tax revenues for Toronto's environment infrastructure.

Earlier this fall we fulfilled a budget commitment when we exempted donations of publicly listed securities to public charities from the capital gains tax, providing charities with a powerful new tool for fundraising. I understand there may be more than a few representatives from charities here today in this room. We all know that Toronto is the philanthropic epicentre of Canada, witness the new opera house and the reinvigorated ROM.

Also Canada has a reputation for being a peaceful and law-abiding nation. But lately as we know this hard-won reputation is under attack as the result of a number of high-profile criminal cases involving guns and gangs and crime. No one in Toronto can forget the summer of the gun in 2005 and the horrific tragedy of Boxing Day. Today we need to be more vigilant in protecting our young people from violence, gangs, drugs and predators. And we are doing that. In the months ahead my colleague Vic Toews, the Minister of Justice, will do even more.

At the same time we now know that Canada is also facing external threats to our security as the menace of terrorism has drawn closer to our borders. We saw the arrest of 17 individuals in the GTA on terror-related charges earlier this year.

Our government has taken action to protect the Canadian way of life, the peaceful way of life. We have taken action to toughen sentences to keep violent criminals and repeat offenders off our streets, to crack down on street racing, a reckless crime that all too often kills, to protect our youth against sexual predators by raising the age of consent from 14 to 16, and to provide more police to tackle crime and to make our streets safer.

We are introducing other new measures to better secure our borders as well. And we are protecting our transportation systems by bolstering security at Canada's airports. The House of Commons also voted to renew Canada's commitment to bringing peace and democracy to Afghanistan. And in doing so the new government of Canada committed $15 billion desperately needed for new equipment for our military forces. For over a decade the best military in the world was put in danger in war zones because of old outdated equipment and we are resolving this.

We are also keeping our commitment to support families. We believe that strong communities, cities, towns, and rural areas are built by strong families. We recognize this. We also recognize that each family is unique and parents must be able to make decisions that best meet the needs of their children particularly in the area of childcare.

Our universal childcare benefit addresses the situation. It provides parents with direct financial support to allow them to make the childcare choices that are right for their families. Parents receive $100 per month for each child under six to help meet the costs of providing childcare. This puts the choice of childcare options back where it belongs—in the hands of parents.

At the same time our government is committed to working with business and community groups and not-for-profit organizations to create more childcare spaces in Canada. And so beginning in 2007 our government will provide up to $250 million to support the creation of 25,000 new daycare spaces a year for the next five years. Our government promised to provide more childcare choices for parents and we're delivering.

But as Minister of Health I know that Canadians' top priority is establishing patient wait-time guarantees. Now is the time for Canada to commit to wait-time guarantees. Now is the time to give patients recourse when waits become too long. The status quo in health care is not acceptable and failure is not an option. It is time to declare it unacceptable, in a nation as wealthy and as modern as Canada to have a health system, which permits unconscionably long delays and offers patients no recourse to alternative treatment options within the publicly funded system.

I'm expressing an opinion. It's not just my opinion. It is the opinion of Canadians. It's the opinion of 84 per cent of Canadians who have been polled, who are in favour of wait-time guarantees. Millions of Canadians voted for wait-time guarantees—one of our campaign commitments and also a campaign commitment of one of the opposition parties. Doctors overwhelmingly support wait-time guarantees. And the Supreme Court of Canada itself has declared that our publicly funded and run system must offer patients timely care or it loses its monopoly.

Ladies and gentlemen, in Canada we have a deal, a social contract if you will. People pay their taxes and government provides reliable health care. Canadians have lived up to their side of the bargain. They have paid their taxes year in and year out, but they haven't been getting value for money on the one thing that they deserve more than anything else—publicly available health care. And that's because the health-care wait lists are still too long.

I want you to know that Canada's new government understands that Canadians expect that all levels of government will work together to get things done for families and taxpayers. They expect practical health-care programs and they expect them to be properly managed.

Is this something radically new? Are wait-time guarantees a new idea? The answer is no, they're not. It is happening all over the world. Sweden, Denmark, the U.K. and New Zealand all offer some form of guarantee.

This summer I travelled to Denmark and Sweden and learned how their wait-time guarantees work. To take one example, Sweden's national maximum waiting-time guarantee is called zero seven ninety and ninety, and it was introduced in 2005. It includes a portability option if patients wait too long. Let's unpack that a little. The zero means same day contact with the health-care system, guaranteed. The seven means patients will see a general practitioner within seven days. The first 90 means consulting a specialist within 90 days. The final 90 means waiting no more than 90 days after being diagnosed to get treatment. Zero seven ninety and ninety. And in the recent election campaign in Sweden by the way a pledge was made to reduce that 90-day period to 60 days.

Ladies and gentlemen, this is the kind of certainty Canadians want from their health-care system. Change is possible; change is happening around the world. Improvement is possible. We can do it and we must do it. Please don't misunderstand me. I know full well there are many parts of this system that operate spectacularly and many instances when it functions perfectly smoothly and quickly. But the situations that I worry about are the ones that don't work out that way. As Minister of Health I receive 25,000 letters a year. Some of them are actually quite laudatory. I know that's hard to believe. But some of them worry me.

I received one letter from a daughter who wrote about her mother—a woman who she said worked tirelessly to raise five contributing members of society, and paid her taxes diligently in the hopes that when she needed appropriate health care it would be available. Those are her words. And yet her mother was experiencing an unconscionable series of delays in treatment.

It wasn't just the mother who was worried. The daughter was worried sick and she was angry over her mother's situation. Ladies and gentlemen, her anger is justified. That's why we must continue to work together. I must work with the provinces, the territories, all of our health partners in this room and the people that represent you to deliver a health-care system that will be more accountable to patients. Not to processes, not to providers, but accountable to patients.

For too long patients have been treated as cogs in a wheel. I know doctors care. Nurses care. Family members care. But the system doesn't care. The system doesn't care. It wasn't designed to put patients first. Patients need to be, deserve to be, at the centre of the health-care system. And I want you to know that Canada's new government is committed to this patient-centred approach.

The next questions will then be: "What will you and your family get out of a patient wait-time guarantee? Will you get knowledge, choice, respect, recourse?" You will get a system that provides certainty and confidence that care will be there when you need it. A system that is responsive, accommodating your changing health-care needs in a timely manner. A system that is fair, based on need, and transparent, providing you and your family with readily available information. Finally a system that is accountable so that you as taxpayers see the value for your hard-earned money.

In 2005, all provinces and territories worked together to establish an initial set of benchmarks for acceptable wait times in priority areas—cardiac, cancer, joint replacement and cataract areas. As they say in business, if you can't measure it you can't manage it. And with these benchmarks in hand we can now measure which areas of our system need to be improved.

I know it will not be possible to fix every facet of Canada's health-care system instantly and all at once. Indeed I believe that that would be reckless. I know that reducing wait times is a process, not an event. Certainly it is not a panacea and cannot be done in isolation. But I also know we have to move forward.

Is there money in the system to do this? The answer is yes. In budget 2006 our new government committed to honouring Canada's 2004 health accord by continuing to transfer to the provinces an additional $41 billion over the life of that accord including $5.5 billion specifically earmarked to reduce wait times. Let me repeat that—five and a half billion dollars specifically earmarked to reduce wait times.

We are also committed to a 6-per-cent increase in funding in each of those years. Let me say that again. Each and every health ministry in every province and every territory can now budget to receive a 6-per-cent increase every year to 2014 through the Canada health transfer. And so for the first time in over a decade health ministers are working with health-care budgets that are increasing from the federal government, from the federal taxpayer.

The federal government and Canadian taxpayers have given this money. We all expect to see improvements. This is very significant. This is a very different scenario than when I was a provincial health minister and had to deal with billions of dollars in cuts under the previous Liberal federal government.

Where do we stand? Over the summer I had discussions with our health ministers from every province and territory to get their views on the opportunities and challenges they see in reducing patient wait times. This being Canada, each province and territory is reducing wait times according to local needs and conditions. I don't have a problem with that.

Across the country there are some striking examples of progress. Quebec is showing leadership by proposing a wait-time guarantee for hip and knee and cataract surgeries. Quebec and Manitoba have publicly declared de facto guarantees for select cardiac and cancer services. Over the last three years Ontario has decreased wait times for angiography by 25 days and for MRI scans by 29 days. In the last year cataract surgery wait times in Ontario decreased by 61 days. Manitoba's wait time for cancer radiation therapy is down to under one week, down from over six weeks in 1999. Alberta's hip and knee replacement pilot project has shown success in reducing wait times from 47 weeks down to 4.7 weeks. In British Columbia the median wait time for cataract surgery fell from 9.7 weeks in 2005 to 7.4 weeks in 2006.

On the information technology front, by March 2007 lab information systems will cover 49 per cent of Canadians, diagnostic imaging systems will cover 43 per cent of Canadians and drug information systems will cover 37 per cent of Canadians and all of this helps us track patients and reduce wait times.

These examples, and there are many more of them, clearly show that when we work together with focus and determination, when we have a common goal and when governments work together, we can deliver to Canadians the kind of health care they deserve.

To those people who say wait times and wait-time guarantees are impossible to deliver, I say we can do it, we are doing it, and we must do it. As other nations move forward with their own patient wait-times guarantees, we cannot afford to do nothing and fall further behind.

What are we doing to help achieve our goals? For starters we're moving forward with efforts to enhance research, technology and health human resources through federal, provincial and territorial co-operation. I know and you know that research plays a critical role in wait-time reduction, prevention and treatment. Working with the Canadian Institute for Health Research and the provinces and territories, we are using federal research dollars to accelerate the gathering of evidence to set more wait-time benchmarks.

Canada's new government is also working with the provinces and territories on the technology front. We are working to reduce wait times through the implementation of electronic health records and centralized data-based and Telehealth services.

Our government is also investing in health human resources to improve collaboration among health professions and to contribute to the recruitment and retention of our health professionals. We're also investing to help increase the number of internationally educated health professionals who are able to work here in Canada.

These federal investments alone will mean 1,000 more doctors, 800 more nurses and 500 other health professionals in the system. I know that isn't everything that we can do but we are working together. All of these initiatives help all of us achieve wait-time guarantees.

So will the national cancer strategy, which we have launched. This fall I am proposing that federal, provincial and territorial health ministers host a sharing success conference where they'll have an opportunity to showcase provincial successes and innovations in improving timely access and reducing wait times.

We will work very hard to measurably improve performance. What we will not do is simply throw money at the system without achieving measurable improvement. Achieving meaningful guarantees I know requires hard work. It requires discipline on how money is managed and it requires the delivery of real policy change to Canadians. You know that, I know that, and Canadians know that.

As I conclude my remarks this afternoon, I would like to leave you with a few final thoughts. Establishing a guarantee isn't just about getting in step with the rest of the world. It's about getting in step with what Canadians want, what they expect and what they deserve. Here's what should happen. Within one year's time I believe that provinces and territories should be in a position to state their intention to establish a guarantee in critical areas such as cardiac care where progress has already been made.

Let's continue to make progress in the following year too. By the spring of 2008 legislation requires that the federal Parliament review progress in implementing the 2004 health accord and we will do that. I believe that by that date all jurisdictions should be making progress towards establishing wait-time guarantees for other essential health-care services.

Some people will say, "I believe it when I see it." I say that we have to believe in it in order to see it. I see a health-care system that delivers certainty and delivers timely access and recourse. I see a health-care system that puts the patient first. I see a health-care system that is a world leader in effectiveness and achieving measurable results. I see a nation that is confident in its ability to protect the health of its citizens.

Ladies and gentlemen, we can accept no less. You must accept no less. As long as we accept the status quo the status quo will remain. Canadians have the right to deserve better, to receive more for the money we spend on health care and today I pledge to you that I will not rest until we do. Thank you very much.

The appreciation of the meeting was expressed by Lisa A. Baiton, Vice-President, Government Relations, Environics Communications Inc., and Director, The Empire Club of Canada.

October 10, 2006

A joint meeting of The Empire Club of Canada and The Canadian Club of Toronto

Gerard Kennedy

Former Ontario Minister of Education and Candidate for Leader of the Liberal Party of Canada

Stéphane Dion

MP, St. Laurent-Cartierville and Candidate for Leader of the Liberal Party of Canada

Bob Rae

Twenty-First Premier of Ontario and Candidate for Leader of the Liberal Party of Canada

A DEBATE BY THREE LIBERAL LEADERSHIP CANDIDATES

Chairman: **Noella Milne**
President, The Canadian Club of Toronto

Head Table Guests

Allan O'Dette, Director, External Relations and Public Affairs, GlaxoSmithKline, and Director, The Canadian Club of Toronto; Lisa Baiton, Vice-President, Government Relations, Environics Communications Inc., and Director, The Empire Club of Canada; Renato Di-Senza, Senior Vice-President, Enterprise Sales, Bell Canada; Dr. John Niles, Senior Minister, St. Andrews United Church (Markham), and President, The Empire Club of Canada; and Amanda Lang, Co-Anchor, Squeeze Play, ROBTV, and today's Moderator.

Introduction by Noella Milne

It's a super fall for any political junkies in the crowd and out there in media land. In Ottawa, we've got the same sex marriage issue re-surfacing and we all know that's an issue that's bound to bring back some pretty heated debate. Here in Toronto, we're in the midst of a mayoralty race, sort of.

And across the country we're heading into the home stretch for the race to be the new leader of the federal Liberal Party. And we're very pleased to have three of the four front-runners in that race with us here today.

After the "super-weekend" of delegate voting just over a week ago, Michael Ignatieff emerged as the frontrunner, with several of the pursuing candidates dropping well back as the campaign turns into the stretch.

But, as recent political campaigns the world over have shown us, it ain't over till it's over, so the most interesting part of the race might still be coming. After all, anything can happen in the heat of a convention floor battle; just look back to the 1996 Ontario Liberal leadership contest when a guy named Dalton McGuinty scooted up the middle from seemingly out of nowhere. There's plenty of jockeying to be done between today and the early December finish line.

And with us today are three of those candidates who all still have a legitimate shot at winning. Good news for those of us who like political debate and good news for those of us here in person or watching on television from home.

Now before I introduce them, I would just like to say that this is a departure for both the Canadian Club of Toronto and the Empire Club of Canada from our usual single-speaker luncheon format. But since we're now 110 and 103 years old respectively, we thought it was time to do things a little bit differently once in a while. I'm certainly looking forward to it and I want to thank Mr. Dion, Mr.

Kennedy and Mr. Rae for being such good sports and allowing us to bring you a live taste of this debate.

And now a few words about our speakers!

Stéphane Dion of course hails from Quebec. The son of an academic, he was a political scientist teaching at the University of Montreal until recruited to run for a federal seat by Prime Minister Chrétien in 1996. A strong federalist, he has represented the Quebec riding of Saint-Laurent-Cartierville since then, was Minister of Intergovernmental Affairs under Jean Chrétien and Environment Minister under Paul Martin.

Hailing from The Pas, Manitoba and the son of a politician, Gerard Kennedy attended Trent University in Peterborough and is well known to Ontarians as Executive Director of Toronto's Daily Bread Food Bank from 1986 to 1996. Most recently, until he threw his hat into this particular ring, he was Education Minister in the McGuinty government and held the provincial seat of York South, a riding previously held by our third speaker.

Our third speaker of course is Bob Rae, who hardly needs my introduction being Ontario's premier from 1990 to 1995. Many of you may also remember that Mr. Rae was in federal politics before becoming the leader of the provincial NDP Party.

And since leaving provincial politics he has headed the probe into the Air India disaster, authored a report on higher education for the Ontario government and travelled to such places as Iraq as an advisor on democratic institutions.

Keeping everything under control today will be our moderator Amanda Lang, co-anchor of Report on Business TV's "Squeeze Play" and I'm pleased to say, a Director of the Canadian Club of Toronto.

Amanda has prepared some questions for the candidates and she will also open the floor to questions from our live audience. So, if you would like to ask Mr. Rae, Mr. Kennedy or Mr. Dion a question, please write it on one of the cards provided on your table and our volunteers will collect it from you.

Ladies and gentlemen, it's time for me to turn things over to our very capable moderator. So, as they make their way over to our TV stage and get their clip-on mikes in place, please join me in giving a warm welcome to our candidates for the leadership of the Liberal Party of Canada—Gerard Kennedy, Stéphane Dion and Bob Rae.

Amanda Lang

I'd like to begin by saying I'm delighted to be here. I'm not one of those journalists who dislikes politicians. In fact it gives us somebody to look down on so why would we?

But I do want to say I have great admiration and respect for anybody who puts their name on a ballot. I want to acknowledge all of the leaders in this leadership candidate race. We couldn't accommodate them all. They're here in spirit and Martha Hall Findlay is here in person and we appreciate that.

It's said of becoming a partner in a law firm that it's like winning a pie-eating contest and the prize is more pie. I think that this is sort of similar. The prize is dubious to some of us, but I'm sure well sought after by all of you.

We do of course have time constraints and so we are going to limit your opening remarks to two minutes each and questions, both mine and from the floor, to one minute each. We want to hear from as many of you as possible and your questions. We will get right to it including your opening remarks in no particular order. Simply, from my right over to the left, so I give you the Honourable Bob Rae.

Bob Rae

Thank you very much Amanda and let me start by saying that I believe in politics and I believe in the political process. That might make me somewhat unconventional but I happen to think it's very important. I think what strikes a difference in a democratic society like ours is the fact that people are willing to come forward and believe strongly in a process in which we are engaging the public and engaging ourselves.

For me leadership is really about two or three things coming together. The first one is the ideas that we have, the vision that we share with our fellow Canadians, and for me I've talked throughout this campaign about four critical issues. The first one is the prosperity of the country. The second one is the unity of the country. The third is our ability to share opportunity and the fourth is our sustainability as an economy and our independence as a country in foreign policy. There will be ample opportunity in somewhat more than two minutes I hope to touch on each of these key issues.

We have to invest more in education. We have to make sure that our colleges and universities are accessible to all Canadians.

We pursue unity not by engaging in abstract theoretical discussions but by being intensely practical on how we want to govern our country and how in fact we want to improve it.

We share opportunity because this is what in fact makes us Canadians—our ability to share something throughout the country and to make sure that the good things in life do not belong only to a small group but in fact are widely shared throughout the population. And we have to do it in a way that is sustainable because climate change is real and because these issues are ones that will not go away and they do require action and action has taken too long for governments to actually carry out. I think Canadians are far ahead of their governments when it comes to the question of the environment.

And the independence of Canadian foreign policy is critical because it speaks to whom we are as a people, our ability to find our voice in the world and to have the courage to express it clearly and emphatically as we go forward. There are many issues that require action on behalf of Canadians. We were right not to go into Iraq. We have to seriously look again at where we are in Afghanistan and make sure in fact that Canada is, remains, and always will be a voice for peace.

And finally, just to conclude, I take great pride in my experience and the fact that I was 20 years in elected politics. I have no regrets about that at all. I think it was a profound formative experience in my life and one that I'm very proud to have been able to participate in as well as the 10 years that I've spent engaging in issues of public policy throughout the country in terms of Air India and higher education, the reform of the Red Cross and looking at federalism as a structure throughout the world. I believe that leadership is about vision, it's about ideas and it is about experience. It's about ability to put words into actions. It's about ability to take ideas and actually make them work. I think I have that ability. I don't claim to be perfect. I don't claim to be better than the Almighty, but I wouldn't be here if I didn't claim to be better than the alternatives, although they're very good friends of mine and we may even be closer as time goes on.

But let me conclude by thanking all of you and thanking my colleagues and Martha and saying how much I'm looking forward to answering questions and engaging in this intense discussion. Thank you all very much.

Amanda Lang

Thank you. Stéphane Dion.

Stéphane Dion

Good afternoon Toronto. You saw me many times. I came here when I was unity minister and we worked together about the unity of our country. I discussed with you the relationship between Queens Park and Ottawa, which has not been always easy, and we worked on that very closely together. As Minister of the Environment, when it was time to address issues like smog and acid rain and the Great Lakes, I came here and we had a very, very good relationship.

I want now to focus on what I can do if I become the leader of our party and prime minister of Canada.

We Liberals are always good when we identify the issue of the century and we focus on it and we deliver. In the 20th century the issue has been for a well-established democracy like Canada to link economic growth and social justice. The Conservatives and the NDP were not able to make this link. We were. It's why I am a Liberal. It's why I am convinced this was the party for Canada. In the 21st century economic vitality and social justice will not be enough. You need to add a third one and it is environmental sustainability. Each day you see that. Today what is in the news in Canada is that you have acid rain more and more. Acid rain in Saskatchewan and in Alberta. We never used to have that in the past. It's coming from the oil sands. So every day we see challenges. We need to focus on them in bringing together economic vitality, environmental sustainability and social justice. To make a virtuous circle between the three, an action plan, all our policies must focus on that.

I don't have time to explain more but let's say what I want to do about the pension plan is to change the regime of the pension plan, to keep people at work if they want to. We have a pension plan today, which is not adjusted for the economy of today. It is adjusted for the economy of yesterday. The economy where there was a big unemployment rate. But now more and more you have a shortage of workers and you need to help people to stay in the work force if they want. This is the way to adjust social justice with economic vitality.

It is the same with the environment. If we are able to have a sound environmental policy, we will decrease the cost of energy. We will become more energy-efficient in Canada. Energy costs are going up and up and up and if we don't have strong energy efficiency in Canada we don't have a strong economy. It's time to stop opposing the environment and the economy and to see that they must go together. As Minister of the Environment I brought the world together at the conference of the United Nations on climate change in Montreal last December. At the next meeting next December it will be the Liberal Party that I want to bring together to make sure that Canada will be on the podium of the newest revolution—the sustainable economy. Thank you.

Amanda Lang

Gerard Kennedy.

Gerard Kennedy

Thanks very much. It is really important that we stop taking Canada for granted. This is not just about my leadership or the other people who are here or Martha's. It is about yours. It's about a country that we have been complacent about. It is about a country where parents and grandparents and generations back made sacrifices. Think of the important things we identify with this country in terms of health care, in terms of the education system, in terms of most of the basis for economic opportunity and most of it came from things that were arranged and sacrificed for and done by generations past.

What about us? What about this generation? What about the next? Can we sit here today and say that our children will have exactly the same opportunity? And we have an aging population. We have a global economy becoming even tighter than it has been in the past. Can we say for certainty? And I say to you, "Why can't we? Why don't we have that ambition? Why don't we put ourselves forward in that way?"

I look at Ottawa and I see Mr. Harper like I saw Mr. Harris in Ontario and the thing that bothers me is not the ideological differences. What I saw was a lazy option. You get some of your money back, you get some of the blame and you don't worry about your neighbours. Nothing worthwhile because it hasn't been built that way.

The last 23 years I've learned to believe in Canadians. Canadians who supported food banks when no one knew that people were going hungry. Teachers and parents who decided to turn around an education system in Ontario when people had basically dismissed it and many people had pulled their kids and gone elsewhere. People who are prepared I think to lead themselves. To lead if a party could open up, if the Liberal Party of Canada can be an open party, not a club. It doesn't belong to me and at the end of this I know this is assured by my colleagues. I don't want to see Kennedy Liberals. I just want to see Liberals. And I want to see Canadians feeling like they can be part of something that matters. A competitive economy based on unlocking the potential that people have. A new Liberal value of enterprise, a bit of innovation and giving people the permission to have that motivation in government, in not-for-profits, and yes in our private sector.

And yes, an independent global voice. A Canada that today would be talking about Afghanistan in fundamentally different terms, that would be saying to NATO, "We must revise that mandate so it aligns to Canadian principles." If young Canadian men and women are going to be at risk it will be for things that we believe in, that we won't hesitate about. And we should be working today to diversify the economy to provide the aid and the other things that don't make military operations the only way of moving forward in Afghanistan. There is a Canada out there to be had. There's hard work that's involved and I hope this leadership takes us a lot of the way there. Thank you very much.

Amanda Lang

Thanks to you all. Now, I am going to ask you to limit your answers to the following questions to one minute. I realize that doesn't do justice to some of the breadth of your understanding of these issues, but it is television and that's how we work. I'm going to start with you Bob and we will work our way over to each of you to answer the question of Afghanistan. Our young are not only at risk. They are dying. While you answer the question whether we are doing the right thing, tell me what you would do differently.

Bob Rae

Well I don't think we are doing the right thing at the moment. I think there has to be a complete revision of the mandate. The fact of the matter is there is not going to be a simple military solution to what's going on in Afghanistan and the idea that Canada would indefinitely be a part of an occupation by foreign forces in Afghanistan is also wrong-headed and is not going to work. So we have to develop a policy that is much more realistic. I think we have to sit down with our NATO partners and that is fundamentally where I disagree with Mr. Layton because I do think we owe that obligation to NATO and to Afghanistan to sit down and work through with them the question of how we can make sure that diplomacy and development assistance are given a much greater priority by our troops. I think we have to look much harder at significantly increasing the development assistance that we provide. I think we should be insisting on sharing the burden with our NATO allies in terms of what is taking place there. I don't think Canada should be bearing as much of a military burden as we have been asked to bear and as we have apparently assumed in terms of combat and I think we just have to be much more realistic. There has to be much less rhetoric about where we are. I think we have to be intensely realistic as a country as to what we can in fact achieve in Afghanistan given the conditions there, given the fact that we are a very different country in a very different place. I'm not an advocate of isolationism. I'm not an advocate of unilateral withdrawals but I am an advocate of a very, very aggressive approach by Canada in terms of redefining the mandate that we now have and getting on with an intense discussion with NATO so that in fact we can deal with the situation as we find it.

Amanda Lang

Thank you. Stéphane.

Stéphane Dion

Exactly what did we learn today? That a NATO general is saying that if nothing is done to rebuild the country in the coming months it foresees that 70 per cent of the people in Afghanistan may support the Taliban. I hope it is not true because we are going nowhere. There is no way that Canada will be an occupying force. I'm supporting the mission because I'm still convinced that most of the people in Afghanistan want our protection. The moment I know that is not the case I will not stay there because we Canadians are not there to occupy another country. But this is the key point to me and for that we need information. We need to know what Pakistan would do at the border and now it is very clear that Pakistan is unable to control this border and it's information that we must take into account when we design the mission. A month ago you may remember Mr. Harper was saying, "We won. We won. We went into the mountains and we killed some people." I hope it was the Taliban and not farmers as being told in some reports and we say we won the war. And we see today that we won nothing because it is not a war against a conventional army that will come with a white flag one day ready to negotiate. It's a war with terrorists. I'm not aware of any strategy that Mr. Harper put on the table about the poppy crop and if you are not able to use the poppy for illicit activity like pharmaceuticals there is no way we may win this war. No way. So yes, we need to revisit the mission. We need to know how we may design it in a way that makes sense and we should never, never have voted for the two years' extension in the blinded way Mr. Harper blackmailed the House a few months ago and it is really sad that some of us voted with him.

Amanda Lang

Thank you. I don't suppose you would have already considered yourself to have spoken on this subject.

Gerard Kennedy

Six weeks ago I called for a change in mandate. There are three interlinked crises that we need to understand. This is our decision. It's Canadian people's. It's not Mr. Harper's. There is an opium crisis that is now 52 per cent of the economy and western nations had pledged for alternative economic development and not delivered.. They have one of the lowest rates of aid. About $72 per person of any conflict country. It is going down to $42. We cannot win hearts and minds if we are not filling their stomachs so there is a clear path forward. The Taliban have an ATM from the opium crop to buy weapons to use against our troops. No amount of security alone can stabilize a country until we are in the provinces that are pacified. We are building up economic development and we are providing aid and we need the commitment of the whole international community. If not, we should leave in an orderly fashion after February 2007 with our heads held high as a country that has provided the only other possibility—short-term security need on a par with any other around the world. But there is a long-term rebuilding of a civil society there but only if we take a leadership position and deal with the two other crises so the security crisis doesn't become one that is simply about to take over the entire country.

Amanda Lang

Thank you. I'll ask one more question and then get to some of the very excellent questions from the floor. On the economy. This time I think we will start from the other end. The Harper government just found $13 billion in surplus. Federal law dictates it goes to debt repayment but what would you do with that kind of surplus manoeuvering in your federal budget.

Gerard Kennedy

Well $13 billion is a big surplus. It's last year's money. I supported it being used to reduce the debt. We still get only 81 cents in services for every dollar we pay in taxes and so it is important we bring down that debt. And so tax cuts that don't apply in terms of making us more competitive and bringing people into the work force or making us compete better internationally are not ones that we should be providing. I would not do a next GST cut as that would give us more resources to invest where we need to. We have human capital that we have to bring forward. We have an immigration success gap. We have education inequality across this country. We have problems for women who are still making much less than men and there are specific programs, childcare for example, that I would invest in. There is a gap with the provinces. I was a provincial cabinet minister and there is a problem with changes made in the eighties and nineties that need to be rectified in a fair and objective fashion. There are priorities that I think can be applied. The federal government and the provincial governments need to have one plan for this country moving forward and we need to make our financial decisions once that plan comes together.

Amanda Lang

Stéphane.

Stéphane Dion

I just want to celebrate the fact that we have a surplus. An unexpected surplus, bigger than expected. I think in this kind of public finance the surprise is the good one. If you miss your target it must be up not down. Now how to use it? Quite a lot you put that in the debt. The first three billion, which is the margin for security in the debt, and the extra surplus that you may have—a third for the debt, a third for targeted investments, and a third for tax cuts. So the usual Liberal approach, I think it makes sense. But to come back to the GST cut I think it is the old way to do politics. In fact your income tax went up to pay for it. You will pay more taxes not less with Stephen Harper. And what I would do with the tax system myself would be tax cuts but you would have to work a bit for it because I will come with an environmental tax reform and if you want to retrofit your home, if you want to change your furnace or your appliances or your car, I will give you a tax credit for it in order to change this society for good and to have an economy and a society with much less waste.

Bob Rae

First of all the law says it's got to go to debt reduction so it's gone. But the fact is we do have to think on a forward-looking basis on what do we want to do. The first thing is we have developed a strong allergy to deficits and that's a good thing. The second thing we have to do is make sure that we are focusing all the time, focusing our attention on the kinds of tax cuts that are in fact going to increase productivity and are going to improve the overall condition of the economy. The GST tax cut does not do that. And in fact the direction that we know the country is headed in in terms of the need for more green taxes means that there are going to be more taxes on the consumption side in which case we have to reduce income taxes even further and focus our attention on low- and middle-income Canadians to make sure that they are able to offset the impacts of higher energy prices, of higher home fuel costs and all the other things that we know are in the works and in fact have already been here for some time. Then we need to address the challenge of poverty in this country. It has gone on far too long. We have addressed the problem of poverty among seniors to some extent. We have not matched it with respect to ordinary families and with respect to children. The existence of the amount of poverty in this country today in an economy like Canada's is a national disgrace and something that needs to be addressed directly by our governments both federal and provincial.

Amanda Lang

I have a question from the floor. It's to all candidates. I'll begin with you Stéphane Dion. National unity is threatened by feelings of western alienation, a rise in the separatist sentiment in Quebec and animosity exhibited in the Maritimes. How do you propose to unify our country?

Stéphane Dion

I think all this is untrue. We have a strong country and these difficulties between regions are normal. Other countries have these kinds of difficulties. They don't discuss national unity. Most of my friends in the United States or in France are upset with their government. None of them are separatists because of that. So yes, you will always have different views. Mr. Chretien used to say we Canadians have two convictions. The first one is that we have the best country in the world. The second one is that our province doesn't have its fair share. And maybe it will always be like that but it doesn't stop Canada being an incredibly good country and I will say again and again the problem is not Canada. The problem is the separatists' ideology. And we need to review our fellow citizens who think they would be happier if they were not Canadian to explain to them what kind of country they have in their hands and work to improve it. Otherwise we would not be in politics. But to improve a country is not the same as saying if it is not my way then the country must fall apart. So this is my answer. Please start to put Canada on the table each time we have a disagreement.

Bob Rae

I agree with Stéphane. I would put it a little bit differently because of my experience as premier. I think the first thing that we have to learn how to do as Canadians is really listen. Almost close your eyes and just listen to what it is you are hearing because behind some of the grievances there is reality and there are legitimate concerns and they have to be addressed. I agree with Stéphane when he says, "Let's not make addressing those concerns always a matter of national unity and always a matter about it's my way or the highway or my way or the breakup." But let's not make the reverse mistake of being seen to simply celebrate whatever is and then be interpreted by others as simply not being sensitive and listening to the concerns that there are. From my experience there are concerns in the provinces about the imbalance between the federal surplus if you like and the challenges that provinces face in dealing with education and health care and infrastructure costs for municipalities. These are real issues. They are not going to go away and they are always going to be there. That is not to say that you are ever going to meet a mayor or a premier who says, "I have enough money." You're not. It's a reality because they're always going to be looking for it. But the key challenge that we face, as I said in my opening remarks, is not to engage in abstract philosophical discussions about the nature of the country or the thought that there is one simple formula that we are going to be able to find that will resolve the constitutional riddle. It is much rather to deal with the practical real problems that we face and to deal with them in a thoughtful, creative, innovative fashion. And that it seems to me how you reduce the amount of misunderstanding and the amount of hard feeling that might exist. I will never promise that I will resolve these great issues in terms of grievances for all time, because no one will but I do think that if we face them practically and in a constructive spirit we can in fact reduce the amount of tension and we can increase the sense that this is a truly wonderful country and a great country to celebrate which is how I think we all feel about Canada.

Gerard Kennedy

I think we have to start with the premise that Canada is more than the sum of its parts. Confederation isn't just about the provinces asking the federal government for things. And if we've not feeling, and divisions can be real, that we are headed some place it is because we may not be. We need to have a unifying theme for this country. We need to see ourselves in my view as the country that will come to terms with globalization and actually influence those terms in favour of working families here in Canada and elsewhere in the world. It's again something we should not take for granted. Sense of purpose is important. I come from Western Canada. I grew up there and the sense that is there is real but it's not against Canada. It's in favour of a bigger Canada. It's in favour of a Canada that says if you grow up in Northern Manitoba or some other place maybe in Alberta you can actually be a part of leading this country. You are not an add-on. You are not the West. It's about fundamental respect. Whether we like it or not, the national energy program and the signing of the Constitution are real grievance points. But what lies beneath that is a sense of people wanting into a Canada that is up to more things. And I think we can be there. I think we should be at the forefront of reforming international institutions like the WTO, the United Nations. There is a peace builders group at the United Nations—the 10 countries most active in security and development—and we are not in the room. We are not doing enough anymore to qualify. We should be in that room and we should see our trade and our relations all linked to the one thing that makes us so impactful and I think Canadians in every province would agree peacekeeping is our reputation. We are the peacekeepers of the world in reputation but we have a heck of a lot more to give if we set that direction and draw all Canadians there. Those tensions will always exist but they will be diminished if we have chosen where we are going.

Amanda Lang

I've got a couple of questions now. I'm going to ask you to be as brief as humanly possible. If you can give a one-word answer give it. This is sort of the speed-dating portion of the event. In as few words as possible to all of you: we know Prime Minister Harper's position on gay marriage; he intends to open the floor of the House. As prime minister would you allow your party to vote according to their conscience on this issue and others like it? Why don't you begin Bob.

Bob Rae

We can never prevent people from voting for their conscience but in my view it is a party vote. It is a matter of human rights and we should be saying as Canadians that equal means equal and that means an equal right to an institution called marriage. That's what the Chief Justice of Ontario has said. That's what has been said by supreme courts across the country and that is what I believe in and I stand by it and I believe in it very, very strongly.

Stéphane Dion

I suspect you will not have a lot of disagreements among the eight candidates on this issue. It is a matter of human rights. It has been decided this way. Mr. Harper is revisiting it not only because of his neo-conservative ideology but because they want to weaken the Charter. You may know that recently they decided that the program that exists to help people to go in court when they are affected by a majority decision has been cut and why do you think they are doing that? I think we have a government that has an agenda. What they are showing to us today is nothing when you compare with what they would do if they were a majority government.

Gerard Kennedy

I agree that it is right and what I am concerned about is that a government would play mischief. This is about mischief. This is not a government with conviction that says it will use the notwithstanding clause. It's just plain mischief with Canadians. It's sowing divisions. There has been a vote. I'm not afraid of people voting their conscience on things they believe in. I don't think we should put that down but I think there has been a vote and Mr. Harper has no intention of changing except by surreptitious means, except by what Stéphane has implied, and I think that that should be resisted. I think that that shouldn't be part of the political vocabulary on its own. And I think Canadians have had a chance. It's been a difficult time in every riding across the country but I think that discussion has been had. The right needs to be upheld and Mr. Harper needs to be called out for what he's doing which is simply trying to play for his electoral advantage.

Amanda Lang

Another short one. We will hold you to it. Win or lose will you run in the next election? Gerard why don't you start.

Gerard Kennedy

Yes.

Stéphane Dion

Yes I already have a riding.

Bob Rae

Lucky you. Yes.

Amanda Lang

Three up. Good. This one is on immigration. Your position on helping qualified immigrants meet Canadian standards that allow them to employ the skills they bring with them and not have doctors and engineers drive taxis. Stéphane will you begin.

Stéphane Dion

This is something that we cannot miss because in 2010 100 per cent of the growth of our work force will come from immigration and I think other countries, some other countries, our competitors, are ahead of us about how to make sure that this work force coming from immigration is matching our needs as a country. And we are in a tremendously good position to succeed because we have control of the access to the country. If you are the United States with the border of the southern states you don't control anymore within without. You are in countries where you have millions and millions of human beings that don't have any status regarding the lie of the land. We in Canada have this capacity. It's why I released a platform, a policy paper, on how we may use more capacity in

Canada to have an assessment of the jobs that are available in Canada and to help the people who are today in Montreal, Toronto, Vancouver, coming into these communities to go where the jobs are and to be well received and to have a year of adaptation that they need to feel comfortable. I think Canada must catch up about this issue.

Gerard Kennedy

It needs a stronger response than what Stéphane has outlined. Not very far from here, 2,000 PhDs, almost all of them foreign-trained, this month will turn to a food bank. The flip side of that is $6 billion lost to the economy, underutilization of skills. We need to be in a position to guarantee that we will close the immigrant success gap. We need to make sure credentials and experience are both recognized. We need to make that a national project and we need an officer, an advocate reporting to Parliament, on the progress for this, because it is different. We do need the immigrants to be here but it's also a promise we made to people who are here as new immigrants after 10 years of making less money today than they did in 1980 relative to Canadian-born. This is an important challenge for us as a country to succeed. It's good for us, the rest of the country, but it is also to me essential so that we have multiculturalism not just based on tolerance but based on respect. Giving immigrants a chance is something that the provinces, private sector and the federal government should be able to deliver with a guarantee to the people we invite and the people who are here already.

Bob Rae

I would make three points very, very briefly. The first one is we have to take another hard look at the point system to make sure that we have got the right people coming to fill the right spaces in Canada. I think we have to recognize that there are lots of job shortages at the moment and we don't in fact have the people who are willing and able to do those jobs coming. We have to face up to that as Canadians. The second thing we have to do is dramatically improve the information systems that we provide to immigrants before they come here and we should be working with our colleges and universities to make sure that in fact some training is going on in the countries from which people are coming so that we are not wasting time. People apply. It takes them two, three, four or five years to get permission to come and during that time there's not enough being done to make sure that they are able to make the speedy transition. And the third thing is it is not just a matter for the federal government. It is a matter for the provinces and I want to commend Premier McGuinty and his government for what they're doing with this issue. It is something that needs to be done in every province. We need to be taking a much more aggressive approach across the country on making sure that we break down these barriers. Yes, there is discrimination and yes, some professional organizations are still acting too much like clubs and they're not responding quickly enough to what needs to be an accountable process. The federal government and the provinces have to work with them to make sure that people who are qualified are able to get access quickly to the professional certification that they require and deserve. It is a very, very basic question for the country. If we are going to remain a country that's open to immigration, which I certainly want us to be, we have to make sure that we are a country that's also open to opportunity and to people being able to turn their qualifications into actual work in the fields for which they are trained and qualified.

Amanda Lang

Thank you. We are just about at time. I'm going to ask the candidates to use the next question as their summary statement. About one minute each. And this one is serious. It is from the floor. Why are you the best individual to fight and beat Stephen Harper in the next election? Why don't we begin with you Gerard?

Gerard Kennedy

Well listen, I happily take that on. I'm not even saying I'm better than the other people who are here. I'm just saying that I am the right person for these times. This is the time for our country to become energized. It is a time for our country to look at itself and see the positives but also not try to gloss over that we have people that have been left behind. That there is a need for average Canadians to really feel a part of their government. This is a trend we have been on for some time. I'm not saying that I myself can do something about that but I see myself as a different kind of leader. As a catalyst that can get people's confidence. I'm not delivering to those low expectations, the way that Mr. Harper is. I'm not trying to squeeze out everything in terms of making it all clinical and surface a few decisions that make it look like I'm decisive. I instead would try hard to engage Canadians in what we need—a real dialogue about this country, a real sense of where we can go. There are several specific things that we need to do. We cannot do everything but we can do them better if the country believes, if the country agrees, if we had had those hard discussions and we forged a consensus. This is not about government. It is not about leading the people in Ottawa. This is about leading the country and I have had that experience to engage Canadians. I have faith in them and they have rewarded that faith in whatever I've done and I think it's time for us, for Liberals in this crowd, for other people, leaders in business and other walks of life to have that faith too and let's bring this country forward. And on that basis I'm applying for this job and asking for your support.

Stéphane Dion

So we backed Stephen Harper but also because he has a vision and when it will become a majority government it won't be important if it happens we'll see this vision. For now he's hiding it, just sending to us some messages of what he would do. And I know that the vision that I have will be embraced by the Canadian people at the next election. This vision is the most generous, the most ambitious one you may have for your country which is to be sure that Canada will be part of the solution and not only part of the problem. For the issue of the century which is no less than to reconcile the people and the planet, Canada must be there. If a country like Canada does not do its share, does not give its share, who will do it? I know that Stephen Harper will not and Stéphane Dion will and I know that I will be able to build a great theme that will grow a party because I know this party. I have been there the last 10 years. I have been able to work with Mr. Chretien, Mr. Martin, with everyone. I have no enemy, only friends. I know that I'm ready, I'm ready to bring this party and this country together to be sure that Canada will do its share for ourselves, our children, the next generations and Canada's role in the world.

Bob Rae

Well in 1979 I moved the motion that defeated the Clark government and Mr. Trudeau was elected. And in 1985 I moved the motion that defeated the Miller government, the Conservative government, and Mr. Peterson was elected. So a hat trick is a great Canadian tradition. And I really believe that we now have in place a Republican conservative party that attempts to divide Canada every step of the way. It is not simply a government that appeals to the lowest common denominator. It is a government that appeals only to its own supporters. It is the most intensely ideological government we have ever had in our history and it is now blessedly only a minority government. I hate to imagine what it would be like as a majority government. So then the question becomes for the Liberal Party, "How do we defeat Stephen Harper?" Well, we defeat him by having a stronger vision ourselves, by putting the disputes of the past behind us, and by saying there's no room for arguments about personalities in the past. All we can have is unity. The second thing we have to do is recognize that unity has to extend beyond our own borders. We are not, as Gerard has said, a club; we are not a small group; we are a generous progressive thoughtful political party that believes intensely in appealing to yes, people who voted for the New Democrats in the past election. Yes, people who voted for the Green Party in the last election and yes, people who were Progressive Conservatives for a generation and two and three generations and feel they have no home left in Canada. It is up to the Liberal Party to provide that home and to provide that clear alternative to Mr. Harper. The next election is not going to be about protest. The next election is not going to be about punishment. The next election is going to be the clearest evidence we have ever seen on the difference between a progressive party and a party that is truly reactionary in its thinking and in the way it acts. Merci beaucoup. Thank you very much.

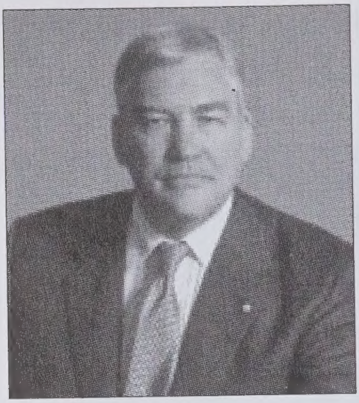
Amanda Lang

Our thanks to you all. It was a great pleasure and I don't see why we can't get question period down to an hour a day.

The appreciation of the meeting was expressed by Dr. John Niles, Senior Minister, St. Andrews United Church (Markham), and President, The Empire Club of Canada.

John Walter, Vice-President, Standards Development, Canadian Standards Association (CSA), and The Hon. Tony Clement, PC, MP, Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, Government of Canada.

Dr. John S. Niles, President, The Empire Club of Canada, Stéphane Dion, MP, St. Laurent-Cartierville, and Candidate for Leader of the Liberal Party of Canada, and Bob Rae, Twenty-First Premier of Ontario, and Candidate for Leader of the Liberal Party of Canada.



October 12, 2006

Conrad Black
Lord Black of Crossharbour

THE CHANGING POLITICAL FACE OF CANADA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Doug Morris, President, Morris Glass and Windows/Humidity Solutions, and Director, The Empire Club of Canada; Jura Augustinavicius, Senior Student, North Toronto Collegiate Institute; Rev. Canon Philip Hobson, Incumbent, St. Martin-in-the-Fields Anglican Church; Andrew Coyne, National Affairs Columnist, National Post; Peter G. White, President and CEO, Peter G. White Management Ltd., Banff, Alberta; Rudyard Griffiths, Executive Director, Dominion Institute; Dr. Ken Jones, Dean, The Faculty of Business, Ryerson University; Don McCutchan, Partner and International Policy Advisor, Gowling Lafleur Henderson LLP, and Second Vice-President, The Empire Club of Canada; Patrick Luciani, Senior Fellow in Public Policy, Atlantic Institute for Market Studies; Gareth S. Seltzer, President, TWS Canada Group, and Past President, The Empire Club of Canada; Helen Walsh, President, Couchiching Institute on Public Affairs; and Duncan N.R. Jackman, President, The Fulcrum Investment Company Limited, and Director, The Empire Club of Canada.

Introduction by John Niles

Lord Black, Past Presidents, Directors, members and guests of the Empire Club of Canada:

In the fall of 1997 the Rev. Bill Phipps, then Moderator of the United Church of Canada, questioned the Divinity of Jesus Christ, hinting that He might not be God—reminiscent of the wrong-headed "God is dead" theology of the '60s.

The CTV Double Exposure comedy team of Linda Cullen and Bob Robertson must have responded by saying, "Great news. Conrad's back in the running."

Now Rick Mercer must have thought Lord Black won because last week he said that once he heard that Lord Black wanted back into Canada as a Canadian citizen he said, "I thought I heard the angels sing."

Now, being as I am a United Church minister, I have to admit none of us ever believed anything Bill Phipps said anyway.

However, like God, Lord Conrad Black not only has the title but his presence reverberates through both corporations and countries, whether he is actually present or not. And just as those who declared definitively in the '60s that God was dead soon found that they were most definitely wrong.

So too, I think today, they will discover that Lord Black is far from dead and nowhere near buried.

It was the seventeenth century French satirist Jean de La Bruyere, who wrote, "Life is a tragedy for those who feel, and a comedy for those who think."

As I listened earlier today to Lord Black's astonishing command of the English language, I noticed that he was indeed not just a Lord, but as he once said of another, "The Lord of all larrikins with a wicked wit and a tongue that could clip a hedge." And perhaps his view of life was far more comedy than tragedy due to his vast intellect.

Lord Black studied his way to a history degree at Carleton University, a law degree from Laval and an MA from McGill.

In his 20s, Lord Black began buying small Canadian newspapers and, in 1971, he co-founded the Sterling Newspapers Group. In 1978, he became Chair of the Argus Corporation—a position he used as a launch-pad to start the Hollinger group. By the 1990s Hollinger controlled 60 per cent of Canadian newspaper titles, as well as hundreds of dailies in the U.S., England, Australia and Israel.

Lord Black became known for taking over newspapers and chopping away the fat causing these newspapers to often turn a profit within a year. So large was his appetite for newspapers that at one point he was the third-largest newspaper publisher in the world. At its peak in 1999, Hollinger had revenues of over $3 billion.

Lord Black has written several books, including an autobiography, a book about Maurice Duplessis and one about Franklin Roosevelt.

Conrad Black

Thank you very much Dr. Niles, John.

I think I owe you all a word of preliminary explanation. In what seemed like a good idea at the time, I followed up on an occasion where a number of us at this table were present last night at the home of someone at this table (I won't mention the name) and the evening continued to a prodigious hour. When I got in at three o'clock I sat down to write what I have in front of me here. My wife who does not normally go to bed early duly appeared in night attire (a very agreeable prospect I must say) and said, "What are you doing?" and I told her. She said, "Have you taken complete leave of your senses? Fortunately I won't be there but good luck to the people who are." She had another engagement.

I am particularly grateful that so many people have come out today for an address that is titled in what I can only describe in an unimaginative way. We have all had inflicted upon us countless opinionated statements on the general theme of the changing political face of Canada and that any of you have actually consented to hear another one is flattering. I put it to you that in fact for once the title is not misapplied. There are some very important changes in this country politically. I remember that Bruce Hutchinson for example every few years would devise some new way of saying that everything had changed and things were happening that never happened in Canada before and so on. That was, I guess, his job up to a point and he made a pretty convincing case for it, but really nothing much changed. But I think it is different now and if you allow me I will tell you why.

I may have to do something that is unutterably irritating and put on these glasses which out of sheer vanity I have to tell you are not prescription glasses and cost I think $8.

I'm going to make a couple of predictions.

First, I think we are going to have a steady return toward a two-party federal system for the first time in nearly a century since Henri Bourassa founded his Nationalist Party before the First World War.

And second, I think for the first time in nearly 50 years the principal political opposition to the federal government is going to come from the leader of the opposition and not from the premiers of the major provinces.

And finally there is a change in the status of this country in the world which will affect our politicians and affect I think the expectations of the public of those politicians.

If you will indulge me in a bit of sketchy history, I think almost all Canadians are at least generally aware that the country was strung together as a ribbon of settlements along the U.S. border following the failure of Lord Durham's united province of Canada which was a mechanism for assimilating the French Canadians. Most French Quebeckers I think at the time of Confederation, influential French Quebeckers, approved of Confederation not because they had any great enthusiasm for Canada but because they wished to be rid of this systematic attempt to assimilate them and they looked upon Canada, English Canada, as essentially a buffer zone between themselves and this huge English-speaking country of the United States, a "cordon sanitaire" if you will.

The Quebeckers and the Acadians had been abandoned by the French following military reverses and the original Ontarians were of course fugitives from revolutionary America. Nova Scotia was severed from New England and when Newfoundland eventually joined Canada it was after it had gone bankrupt as an autonomous dominion. So it was never going to be easy to produce a single political voice for such a disparate group of regions.

Now Sir John Macdonald managed of course extremely well and was a great statesman with a tariff policy and a railway policy linking these units together all within the imperial framework that is in some respects, as our president of the club said, continued in this organization.

I commend to those of you who haven't read them the comments at the time of Confederation when relevant legislation was put in the British Parliament by the then leader of the House of Commons Benjamin Disraeli who could never I think resist being fairly cynical about almost anything. Some of his comments on the future of Canada proved to be rather prescient although I don't imagine he spent a great deal of time thinking about them.

From the first election after Sir John Macdonald died in 1891, the federal Liberal Party effectively seized the federal government with a formula that kept it in office for 80 of the last 110 years from the first election of Sir Wilfrid Laurier in 1896 to the election of Stephen Harper earlier this year. And it was a similar formula to that employed by the Democratic Party in the United States under Jefferson and Jackson, which won 13 of the 15 presidential elections between 1800 and 1856. In the one case and the other what it consisted of essentially was that secession would not be tolerated in the case of the Americans by the South and in this country in Quebec. While it would not be permitted to secede it would be well served and the governing party would be their champion compared to the alternatives. It is preposterous for me to tell you all this, you know it, but I'm just setting the stage because if I'm going to say why I think the face of Canada is changing, I have to say what it was before. The Liberal Party did deliver well for Quebec and it did effectively fight the secessionist spirit in Quebec. I've stopped the comparison with the United States because obviously they took a different road and ended in a horrible war albeit one that resolved the secessionist question.

There is an acoustic problem. I've been invited to speak louder. That is a first for me.

The Liberal concentration on Quebec did help create western regional parties that felt that Quebec was overindulged and it contributed to the fragmentation of the opposition as well as some Quebec parties that wanted more than Quebec was already receiving. There were ideological parties both to the right and to the left of the federal Liberals and in general all of this tendency to fragmentation was to the Liberal's advantage. They held office for more than 75 per cent of the time that elapsed from the rise of Sir Wilfrid to the retirement of Pierre Trudeau and the Liberal Party of Canada was the most successful national political party in the democratic world. It was a tremendous success story based chiefly on the formula that we are all familiar with that I have just referred to and Canada was in effect a one-and-a-half-party system.

The Conservatives and there are some very distinguished members of that party here today, former MPs and former candidates, will not I trust be offended when I say that the federal Conservative Party was generally a group of malcontents who were united only as far as I could ever discern by the fact that for some reason or another they weren't Liberals.

I put it to you that these conditions have ended because the status of Quebec no longer preoccupies this country as it did. This year is the first time in 38 years that we have gone more than a few months without a federal Quebec prime minister.

Most Canadians I think would agree that 60 years ago French Canadians did have some substantial grievances and I think, perhaps I'm being naïve, most French Canadians would agree that over that time English-speaking Canada in general has made a reasonable effort to accommodate those grievances. In the 1930s one of Quebec's leading nationalists, Dr. Philippe Hamel, said, "Conquer us with goodwill my English-speaking compatriots. You will be astounded at the easy victory that awaits you." Well it was not an easy victory in fact and some of us, and there are a number in this category here today, who took the trouble to learn French and learn something about the history of Quebec, were not welcomed in our interest as we were assured by Le Devoir and other authoritative nationalist Quebec sources of opinion that we would be. It was widely suggested that bi-culturalism, once it was officially embraced in English Canada, was in fact an effort at assimilation and of course that was an unjust charge.

Maurice Duplessis, despite the obloquy that has been heaped upon him by largely Liberal Party mythology, was without question the most talented as well as the longest-serving premier in Quebec and said that the Quebec nationalists were like a 10-pound fish on a five-pound line and they had to be reeled in and let out very carefully and very slowly. And he said that he would quiet the nationalists for 10 years by giving Quebec a flag and for 10 years after that by opening a delegation in Paris and for 10 years after that with the World's Fair in Montreal and that is more or less what happened.

Duplessis and Jean Lesage and Daniel Johnson senior, René Lévesque, Jacques Parizeau and Lucien Bouchard were plausible Quebec leaders who in certain circumstances could have been imaginable as leaders of an emerging independent Quebec. But that is not the case with their successors. The present political leadership in Quebec is not believable in that role and in fact I don't think that Quebec has any serious grievances and I don't think most Quebeckers think that they have any serious grievances with Canada.

The new federal government largely led from Alberta is prepared to decentralize powers to some degree but not under threat and the jurisdictional ambitions of the main provinces it seems to me are now relatively similar and pursued with approximately equivalent determination. I'm happy to say that I think the chances are small that we will again be subjected to the regular spectacle we all recall of the heads of the provincial and federal governments celebrating more concessions to Quebec in the old railway station in Ottawa and then singing "O Canada" to us and then waiting for the proverbial decent interval before all the other provinces demanded in the interests of equal treatment exactly what they grudgingly supposedly conceded to Quebec. I don't think we are going to have to go around that track again.

In days when my relations with Jean Chretien were more cordial and less monosyllabic than they are now, I urged that the Clarity Act as it was being brought forward include the provision that in the event of a "yes" vote on a secession issue in any province, any county of that province that voted "no" be deemed to have seceded from the province and remain in the country. He was not prepared to go that far but I think that the Clarity Act as passed has made a tremendously important contribution to resolving this problem.

Quebec separatists could never get close to 50 per cent in a referendum or any poll without what amounted to a trick question where they would retain most of the benefits of Confederation while exchanging embassies with all the countries of the world. It was the constitutional equivalent of eating the cake and still having it in front of you. It was essentially a fraud and they can't do it again. There's a demographic component to this as well. When the first overtly separatist votes were cast in a Quebec election in 1962, the French-Canadians comprised 31 per cent of federal MPs and approximately the same share of the population of the whole country. The combination of the reduced birthrate in French Quebec and immigration patterns has reduced that figure to about 23 per cent.

Because 95 per cent of Canadians live within 100 miles of the U.S. border and it is in fact very difficult even for any of us to distinguish a Canadian from an American from a northern state, Canada's identity crisis has been a lengthy one and the ambivalence of Quebec aggravated it. To most Canadians the British connection distinguished Canada from the United States until after the Second World War. Our chairman of the club referred to this club being founded in 1903 and it was representative of that strong sentiment.

There was the brief moment around the centenary of Confederation of the rise of Trudeau when it was proposed that bi-culturalism was a key to Canada's distinctiveness compared to the U.S. This proved not to be as popular in either English or French Canada as its espousers had hoped, and it swiftly gave way to the related view informally propagated by Trudeau himself that Canada was a kinder and gentler society than the United States, which in practice meant more socialistic. It started relatively innocuously with universal medical care and rather rigorous notions of gun control, but it extended well beyond that quite quickly. This was an easier idea to sell at that time when the United States was enmeshed in the Vietnam War and had severe racial disturbances in many of its cities. But it masked the principal anti-separatist activity of the federal government, which was the transfer of money from the wealthiest to less wealthy parts of the country and specifically to Quebec. Once Trudeau confused the Quebec nationalists which he did very artfully by saying that there should be an end to this, as he described it, squalid debate between politicians about the rights of different jurisdictions and the focus should be on the rights of individual citizens which dumbfounded the Quebec nationalists for a time.

It was only a short step after that to regional economic equality and equality of public services throughout the country, which accorded all the cover that was necessary for vast transfers of money around the country. At a practical level it raised but did not admit the impossibility of bringing resources to people because obviously people have to go to resources but separatists aren't always outwitted by practicality. Quebec's adherence to the federal state was in some considerable measure acquired but it was never officially costed by Trudeau or by Brian Mulroney and was masked by the national raison d'être of institutionalized generosity that supposedly helped to distinguish us from the United States.

This official practice of collecting large amounts of money from people in provinces where they were generated and redistributing them to other people was intellectually justified as part of a charitable national aptitude and practically justified as necessary to national unity. The policy tended to legitimize and reinforce the long-held view that political trends were steadily to the left. The precursor of the NDP, the CCF, some of you will recall used to call themselves Liberals in a hurry. It was assumed that all movement was gradually and inexorably to the left. Yet whenever Mackenzie King was in need of a boost in a tight election, he would produce some new social measure such as the baby bonus in the middle of the 1945 election campaign which helped him come back with a majority.

But the drift in western public policy has not been to the left for the last 25 years. It was prolonged in that direction in this country because of the perceived need, let us be frank about it, to buy the adherence of a large region of the country.

It is not clear to me that the federal Liberal Party is still moving left and if it is it is not clear that the country is moving with it. And the NDP no longer has any claim to being a bell weather much less a wave of the future.

I predict that before the New Democrats cease to call themselves "New" nearly half a century after they were founded, it will become steadily more difficult to explain the purpose of the NDP as a distinct party. I personally doubt if Bob Rae was the highest NDP office holder in Canada's history as premier of Ontario. I personally doubt that he will be the next Liberal leader although I wish him well personally (I like him as a man) but I think he will be a representative leader in bringing in a large number of his former fellow New Democrats to an important and influential niche within the Liberal Party.

The Bloc Québécois is a levitation. It was always nonsense to have an official opposition dedicated to secession from the Parliament where it sat. It was one of the ludicrous anomalies of the era of crisis of federal institutions in this country. In the last general election all three national party leaders spoke French perfectly passably. No sane Quebecker in my opinion believes that Quebec really would be better off without Canada or that Canada oppresses Quebec or that the current provincial leadership of Quebec will be taken seriously by anyone if it purported to secede. The fact that the Conservative Party with no Quebec organization rose so quickly during the last campaign I think shows us the way forward.

For the first time in Canadian history the Liberal Party ran third in Quebec. Plainly the transitory irritation of Adscam, the final manifestation I put it to you of the policy of buying Quebec's affections for Canada, maintained the Bloc vote. Quebec does not wish to be without influence in the federal government and is certainly not accustomed to such a deprived status. The Bloc is a complete anachronism.

I referred earlier to Maurice Duplessis. He said to Paul-Émile Cardinal Léger, "If you squeeze a fish hard enough it will get away." He was referring to church matters. Something like that happened to the church in Quebec and something similar I think may happen to the Quebec

Liberal Party. The Quebec Liberal Party squeezed that fish too hard. There is no doubt that Quebec was a priest-ridden society in 1960 but the cold revolution of the Liberals resulted primarily in the same people operating the same schools and hospitals for the benefit of the same population at 10 times the cost to the taxpayers because they ceased to be clerical personnel. Secularism had its rewards of course but the Quebec Liberal Party has oversold itself for too long. At least it represents a valid series of policy options and is capable of governing Quebec and Canada.

The Bloc Québécois, as I said, I think will not last as long nor is it as distinguishably led as was the Bloc populaire of the 1940s. Because the Liberal Party had such a reliable formula for winning elections, it generated regional resentments against this Toronto Ottawa Quebec basis of the federal government. And because Quebec rarely liked to put all its political eggs in the same basket it generally sought a strong provincial government.

From the last election of Sir John Macdonald to the election as party leader of Brian Mulroney, the federal Conservatives had 17 leaders compared to five for the federal Liberals all of whom were prime minister at one point or another, in fact for most of their careers as leaders.

The Liberals governed in Ottawa for 71 of the 88 years prior to Brian Mulroney's election as prime minister and the real leaders of the opposition most of that time were usually the premiers of Quebec and Ontario and Alberta—Taschereau, Duplessis, Mitchell Hepburn, Frost, Aberhart, Manning, Lesage, Daniel Johnson senior, John Robarts, and others. The whole concept of equalization payments was devised by Mr. St. Laurent in 1955. When Duplessis told him that Quebec was going to assert its concurrent right to direct taxes and impose a provincial income tax and if the federal government did not credit that on federal tax returns for the Quebec citizens, then double taxation would be the issue in the coming federal and provincial elections in Quebec. At that point the federal Liberal Party discovered the virtues of equalization payments.

Regional identification has been strong in various parts of this country for a long time and the official opposition as I've mentioned and as we all know was at times severely fragmented as a result of it and in those periods the give and take in a democracy is apt to be between jurisdictions rather than in the federal legislature.

For the reasons that I've mentioned, I think the conditions that gave rise to very powerful provincial governments no longer attain. I believe that Canada's system, and I do want to emphasize this, served it well through very difficult times. It was not easy to govern Canada. The historian W.L. Morton referred to Canada many years ago as a country strong only in moderation and governable only by compromise. Rarely even in world wars did English and French Canada and the East and West see great public issues the same way. Our system was often boring and was often infested with self-important and mediocre people, but the negotiations were always in good faith and it got us through a terribly difficult time and is nothing to be ashamed of.

This brings me to what you will be relieved to be reassured is my last point. Most Canadians my age were brought up to believe that Canada was as Mr. Diefenbaker used to repeat at every opportunity a middle power. We were conditioned to believe that it was our lot in the international community to tug the trouser leg of the United States or the British or even the French. That's when General De Gaulle repaid our contribution of an entire Canadian army to the liberation of France in 1944 by coming to this country and urging Quebec to secede from Canada in 1967.

Sophisticated economies like ours were deemed to be those that manufactured successfully. Resource-driven economies were hewers of wood and drawers of water. All this has changed. As the threat to Canada's unity has evaporated, the strength of its economy has greatly increased and there are many people in the room who know more about it than I do. All but the most technically advanced manufacturing is now generally outsourced to low-cost countries and with six to 10-per-cent economic growth rates in China and India covering more than a third of the people of the world all of our natural resources are in relentlessly increasing demand.

As currently priced we have among the greatest oil reserves of any country in the world but the entire country is a treasure-house—base metals, precious metals, forest products, energy, agriculture. It is an enviable situation and the impact of it is becoming clearer all the time.

There are now 191 member states in the United Nations and Canada is geopolitically among the 10 most important of them. We don't think of ourselves that way but it is true. Canada today is more important to the world and I say this with great deference to my friend at this table, more important to the world than Italy.

Canada has the resources to be a serious influence in the world and the political stability to ensure that that influence is positive and effective. Canada can now afford to be as socially generous as it has been and reduce taxes to a level that is competitive with the United States. It doesn't any more have to make that choice. This is a tremendous breakthrough, a tremendous step forward for this country. And the correlation of forces with the traditional great powers has also changed.

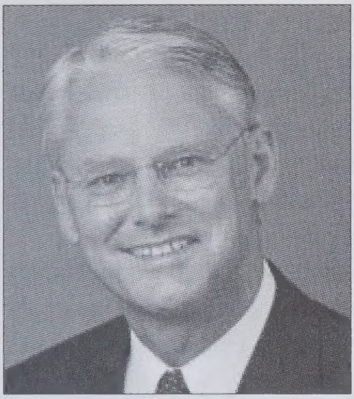
Most of Europe is effectively politically dyspeptic; it has collapsed birthrates and largely stagnate economies. The Soviet Union of course has crumbled and the United States is of course still the greatest economic and military and popular cultural power in the world but it has all its ground forces military capacity now engaged in an apparently somewhat intractable situation in Iraq and it is running a steady $800-billion annual current account deficit. It can't go on like this and as long as it does, as long as both those factors continue, the United States has very little disposable political influence in the world compared to what it could have and has and doubtless will have again.

Stephen Harper and the leading Liberal contenders are I think all relatively thoughtful and imaginative politicians. The United Nations is a shambles. NATO is in complete disarray. The Coalition of the Willing is an absolute fraud and everybody knows it's a fraud. There's much to be done and Canada without exaggerating our potential could be an influence in the world. It could exercise an influence that Canada sought but did not achieve in our days as a professional peace-keeper and middle power. We must not let it go to our heads but Canada is by many measurements and by imminent potential one of the world's great powers and I think we should get used to it and I think the prospect is very agreeable.

Thank you very much.

The appreciation of the meeting was expressed by Don McCutchan, Partner and International Policy Advisor, Gowling Lafleur Henderson LLP, and Second Vice-President, The Empire Club of Canada.

Lord Black of Crossharbour and Dr. John S. Niles, President, The Empire Club of Canada.



October 16, 2006

The Hon. Gordon Campbell

Premier of British Columbia

THE PACIFIC CENTURY

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada; Jay Rautins, Senior Student, North Toronto Collegiate Institute; Grant Kerr, Pastoral Associate, St. Paul's United Church, Brampton; Anne Louise Vehovec, Head, Strategy and Marketing, RBC Financial Group; Dale Richmond, President, The Canadian Council for Public-Private Partnerships; Stephen R. Hastings, Vice-President, Marketing and Reader Sales, National Post; Lisa A. Baiton, Vice-President, Government Relations, Environics Communications Inc., and Director, The Empire Club of Canada; Byron C. Neiles, Vice-President, Customer, Regulatory and Public Affairs, Enbridge Gas Distribution; Dr. Chaviva Ho_ek, President, CEO and Lawson Foundation Fellow, The Canadian Institute for Advanced Research; Patrick Sullivan, President, Workopolis; and Lawson Hunter, Chief Corporate Officer, BCE, and Executive Vice-President, Government and Regulatory Affairs, Bell Canada.

Introduction by John Niles

It was October 6, 1998, when Premier Campbell first spoke at the Empire Club of Canada. At that point he was the Leader of the Official Opposition for the Province of British Columbia, and he said at that time, "Glen Clark makes Bob Rae look like Mike Harris." Now, he is the premier, and Mike Harris is out, but Bob Rae is running for the federal leadership of the Official Opposition. How things have changed.

Gordon Campbell is British Columbia's 34th premier. His government was sworn into office on June 5, 2001, with the largest majority in B.C. history.

Mr. Campbell inherited a provincial economy that was among the worst in the country. People were leaving the province in search of opportunity elsewhere. Mr. Campbell and the B.C. Liberals vowed to fix the economy and bring in a new era of hope and prosperity. In the three years since being sworn into office, the government has brought in major reforms to help meet those objectives.

Bold tax cuts on the first day in office sent the clear signal that B.C. was open for business. B.C. now has the lowest personal income tax rates in the country for the bottom-two tax brackets. Investment was encouraged by eliminating the tax on corporate capital. Taxes on productivity enhancements were done away with. Mr. Campbell's government is the first government to keep its books according to generally accepted accounting principles. These actions, combined with a government-wide commitment to fiscal discipline, have meant that a major prerequisite of a strong economy—a balanced budget—has now been accomplished, as the government promised. Importantly, this was being done in the face of numerous economic challenges that have confronted governments over the past three years.

Since the Campbell plan was put in place, B.C.'s economy has steadily improved and is now projected to be one of the country's strongest. Already B.C.'s job growth is leading the country.

Mr. Campbell previously served as Mayor of Vancouver for three terms, from 1986 to 1993. As mayor, his council re-zoned the False Creek, Burrard Inlet and Fraserlands areas, creating what many have recognized as North America's most livable downtown core.

As Chair of the Greater Vancouver Regional District, Mr. Campbell guided the region's Creating Our Future program that led to the livable region strategy that was adopted in the mid-1990s. He created the region's Council of Councils to include all municipal elected officials in formulating regional plans. Mr. Campbell was also president of the Union of B.C. Municipalities. In that role, he encouraged the establishment of a local government Bill of Rights, the forerunner to his government's Community Charter.

Gordon Campbell has been involved in public life since first being elected to Vancouver City Council in 1984. His innovations include the city caucus structure in Vancouver, the first set provincial election dates in Canada, free votes in the legislature, a fixed legislative calendar, and the first-ever provincial congress, which brings together all MLAs, MPs, senators, and 15 mayors from every region of the province. Perhaps his government's boldest reform initiative was the creation of a Citizens' Assembly, which was established to recommend how the legislature should be elected.

Throughout his time in office, Mr. Campbell has shown himself to be a leader who delivers results. He is a reformer who believes in the power of ideas to strengthen our public institutions.

Mr. Campbell has a BA in English from Dartmouth College in New Hampshire. He received his MBA from Simon Fraser University after attending the Executive MBA program at nights while he was still working.

Premier Campbell has been awarded the Simon Fraser University "Distinguished Alumni" Award and the Inter-Faith Brotherhood "Man of the Year" Award. He was born in Vancouver.

Gordon Campbell

Since 1903, the Empire Club of Canada has helped strengthen our country by providing an important forum for public debate and nation-building. The world has certainly changed since the Empire Club held its first meeting.

The whole western world is now looking west—across the Pacific to the Far East—for new customers, new markets, new investors, new visitors, skilled workers, and new growth. And at the same time, Asian countries are looking to the western world to fuel their growth. They are looking to North America to sell their products, market their services, and to generate wealth.

For most of the last 500 years, China looked inward; it effectively closed its doors. Now it's reaching out to buy our resources, master our technologies, and invest in our infrastructure. And its economy is rocketing forward.

Over the past decade, China's economy doubled in size and accounted for 30 per cent of the entire world's GDP growth. The International Monetary Fund says its GDP could easily continue to grow at 7 or 8 per cent a year for at least another decade. At that rate, China's GDP would surpass Japan's by 2015. Today, China is Canada's second-largest trading partner. It has already surpassed the United States as the biggest export market for Japan, South Korea, Taiwan, Thailand and Indonesia.

India, too, is growing at about double our economic growth rates. If it continues on its current pace, its $600-billion economy will hit $2 trillion in GDP by 2025. India has the fastest-growing middle class in the world. It graduates 350,000 engineers a year from its colleges and universities. White-collar workers in North America are having their jobs done by workers in India who do the same tasks for about 25 per cent of that cost.

Economic power has moved to the Pacific. What we used to think of as tomorrow is here today. Hong Kong, Singapore, Korea, India and China—that's nearly three billion people. These staggering statistics are shaking the foundation of our global economy to its core.

We have no time to lose. The world has shifted on its axis. It is time for Canada to act. We need a co-ordinated, aggressive and relentless national strategy to realize Canada's true potential as a Pacific nation.

The Pacific is central to Canada's ability to compete and prosper in the century ahead and yet, for most Canadians, it is still an afterthought. In a recent survey, only 32 per cent of Canadians regarded Canada as a Pacific nation, compared to 70 per cent of British Columbians. We need to change that perception—quickly.

We are witnessing a seismic shift in global economic power and geopolitical relations. If we seize this moment to capitalize on this Pacific century as a national priority for all Canadians, from coast to coast to coast, every Canadian will benefit. We need to open up Canada's Pacific Gateway from British Columbia, right across our country, and build upon that strategic advantage for all Canadians.

It is Canada's core competitive advantage. It is our one irrefutable advantage. The key to our success in this

Pacific century can be stated in three words—location, location, location. Only Canada enjoys the unique position as the closest neighbour and largest trading partner with the world's largest national economy—the United States. Only Canada sent $366 billion in exports to the United States last year and enjoyed a positive trade balance of $151 billion.

Now let's turn our minds to Asia's economies. Here's what's important: Canada's ports are closer to Asia than any other ports in North America. Which North American ports are closest to China? Canada's. To Hong Kong? Canada's. Japan? Canada's. South Korea? Singapore? Taiwan? Canada's ports are closest. We are potentially the fastest way to get those countries' goods to all of North America—and to get our goods to them. That is a huge Pacific advantage for Canada.

We have done this before. Just 50 years ago, European Atlantic economies started to emerge out of the ashes of the Second World War. To build on our Atlantic advantage as North America's closest gateway to Europe, we pursued a national vision. Every Canadian worked and paid to unlock that advantage through a massive and imaginative and visionary national commitment—the St. Lawrence Seaway.

Canadians invested the equivalent of $6.2 billion in today's dollars to open up that Atlantic Gateway in 1959. We opened up our trade corridors from the far shores of Lake Superior, to the industrial heartlands of America, to our Eastern seaboard, to the Atlantic shores beyond. The federal government accounted for two-thirds of that investment and the Province of Ontario contributed the rest. Combined with the U.S. investment, the St. Lawrence project was a $9.3-billion investment in 2006-equivalent dollars. And that doesn't include the billions of dollars in investment in our road, rail, air, bridge and border infrastructure that flowed from that vision.

Canadians built upon that strategic advantage, by investing in our ability to move goods, services and people. Canadians prospered. The St. Lawrence Seaway was billed as the Gateway to the World—and it has truly become the Atlantic world's Gateway to North America. Fifty years later, that same opportunity calls us to the same dream for the Asia Pacific—Canada's Pacific Gateway.

We need to open up our ports, airports and transportation arteries, from west to east, and north to south. We need to take full advantage of our strategic global position, to make Canada the world's Pacific Gateway to and from North America.

Canada is an international crossroads of opportunity, culture and commerce. Here we are in Ontario. Next to B.C., you have the highest value of per-capita imports in Canada from the Asia Pacific, followed by Quebec. Your per-capita imports from the Asia Pacific last year were about 40-per-cent higher than the Canadian average. You've had a 60-per-cent increase in exports to China since 2001, and over half of those flow through B.C. ports.

Consider the growth in trade with just China. According to Statistics Canada, Canada's exports to China have more than doubled from about $3 billion in 1996 to $7 billion last year. Our imports from China to Canada have grown six-fold in just 10 years, from $4.9 billion to $29.5 billion.

That's a huge increase in the flow of goods to and from Canada. A total of $15 billion of those Chinese imports went to Ontario, up from $2.4 billion a decade ago. Think about all of the goods we are shipping to and from all of our other Asian trade partners, and you begin to get the picture.

The choice is ours. We can either sit by and watch as North America's growth in Pacific trade flows through American ports and airports to American cities and American citizens. Or we can take advantage of our strategic location as the closest Pacific Gateway to Asia and flow those goods across Canada and all points south.

Consider our advantage in ocean shipping. From Hong Kong to Prince Rupert it's about a thousand miles closer and nearly four days shorter than to Long Beach, California. It's pretty much the same advantage in distance to Guangzhou or Shanghai. It's almost two days shorter from Prince Rupert to Hong Kong than to Seattle.

Which way would you rather go if you knew that you could also save an additional two days in rail or truck travel to Toronto, Chicago, or New York? But that's a big "if." Because it's not just a matter of sheer distance. Speed kills. Reliability counts. It's also a matter of how fast you can get your ship into and out of port—and that's a matter of capacity and efficiency.

It's a matter of how fast you can get your goods loaded or unloaded at the dock, and put on trucks or railcars. It's how fast you can move that product across the country and to North American markets.

The challenge today is, even if we wanted to take advantage of that opportunity, our ports can't handle it. Today, Canada's biggest ports are too small. We're further limited by the physical restrictions in shipping capacity along our roads, bridges, and railways, and through our airports.

Right now, we don't even have the ability to ship containers via the Port of Prince Rupert—and Canada invented containerization, in 1955! We don't have the infrastructure to capitalize on the increased volume of goods that will be shipped to and from North America from the Asia Pacific.

By 2020, Chinese ports alone will have an increase in capacity of about 50 million TEUs (twenty-foot equivalent units in intermodal transport). That's over six times the increased capacity that is either planned or in progress all along the West Coast ports in Canada and the United

States. And of that expanded capacity, Canada only accounts for about one-seventh.

The port of Shanghai alone plans to increase its capacity from 18 million to 31 million TEUs within the next decade. The entire West Coast only handled 22 million TEUs last year. So how are we going to handle all of that increased business? Who will rise to that challenge and capture that opportunity?

We know this: when we have the capacity to handle more trade and move it faster to market, Canada gains. We become a more competitive place to set up shop and produce new products. That's the opportunity for Canada, because to lose out on that growth in trade traffic would be all of Canada's loss. If we do what needs to be done, and open up our Pacific arteries for trade, all Canada gains.

A ports strategy alone will produce a 173-per-cent growth in direct maritime jobs for Canada by 2020. Within the next 20 years, cargo traffic at Vancouver International Airport will easily double as the closest terminal to Asia.

When I talk about the need to open up Canada's Pacific Gateway, this is what I mean: I mean expanding Canada's Pacific ports and building new, safer, faster highways and bridges in the Lower Mainland, to move our goods faster to market. I mean improving the Trans-Canada highway through the Rockies—through Kicking Horse, through Banff and on into the heart of the country. I mean expanding our airports and transportation arteries across Canada into America, to take full advantage of the Pacific opportunity. I mean opening up the Port of Prince Rupert to containerized shipping, so that we can capture that competitive advantage for Canada.

I mean inland ports in Prince George, Kamloops and Moose Jaw—inland container terminals that will enable us to pre-load our exports into containers before they are sent to our ports for shipping. Those inland ports will take pressure off our sea terminals and allow our goods to get to Asian markets faster and more cost-competitively.

All of these measures will make Canada a more competitive Pacific Gateway to Toronto, Montreal, Chicago and New York. Just as the St. Lawrence Seaway served as a funnel to channel America's trade to the Atlantic, so too can our Pacific Gateway work to Canada's advantage.

They certainly get that opportunity in the United States and they're moving to capture that business. Seattle is about the same time and distance to Asia as Vancouver. Yet in 2005, our container volume grew by 6 per cent in the Port of Vancouver. Seattle's grew by 18 per cent.

We're falling behind. Let's stop settling for second-best. Let's reach higher for what we can be and what we should be. Our ports are not just competing with the Americans; they are competing with one another.

British Columbia is ready to take on the competition and lead the establishment of a new Pacific Port Authority that maximizes our competitive strength, to optimize Canada's economic benefits and establish a focused action-oriented results-oriented Pacific Gateway.

I want to give every part of this great country a wake-up call. It is time to act. We cannot wait. We need to do far more to open up Canada's Pacific Gateway. If we lose our natural advantage now because of a paucity of vision, parochialism or institutional inertia, we will not be able to buy it back. Rather than a legacy of opportunity we will leave the next generation a legacy of regret.

For the last 20 years, the north-south forces brought on by NAFTA have reinforced regionalism. The latitudinal pull to the Pacific will counter-balance that vertical pull of the last generation and reinforce a new Canadian national purpose. The Pacific can power the next national dream.

In B.C. we are acting now because candidly we can no longer wait for the slow machinery of our federal institutions. An initial $3 billion Gateway investment program is well underway. My government has committed $2.3 billion over the next three years alone for this project. The private sector is also investing billions in improvements to our railways, ports and airports.

So far, the federal government has committed to the first phase of initiatives. Last week, the Prime Minister announced 12 separate infrastructure, transportation, and technology and border security projects in Western Canada. They include improvements to our ports, from Prince Rupert to Roberts Bank. They include improvements to the Trans-Canada Highway.

That federal investment is welcome. It's a good down-payment, but it will take a lot more to get the job done for Canada.

If we think small we will not even hold our own through the economic upheavals that are reshaping the world. All Canadians contributed their tax dollars to opening up the Atlantic Gateway through the St. Lawrence. All Canadians will need to participate in this transformation as well.

The global shift has happened. We can face it with confidence and strength and unity of purpose. And every Canadian in every province will benefit.

Let's put Canada's engineering and technical skills to work. Let's embrace a competitive strategy that gives us a chance to thrive. The Pacific Gateway is a major part of that national competitiveness strategy, but transportation is only one element.

Immigration, skills development and research are all critical to our competitiveness. We need to use some of our surpluses at all levels of government to cut taxes and put more money back into people's pockets. We need to stimulate private-sector capital investment. Just as David Dodge has said, we need more P3s (public-private partnerships). We have the highly successful P3s for Kicking Horse Canyon and the Sea to Sky highway. We will need to do more.

The first call on the federal surplus should be to reduce the tax burden for all Canadians. That will make Canada more competitive and attract the human resources we require for the future. We know that tax cuts work.

We said we'd bring in a significant tax break to give British Columbia the lowest provincial personal income tax rates of any province for lower and middle incomes. In my government's very first day in office, we cut personal income taxes by 25 per cent and we've been reducing taxes ever since.

British Columbians now have the lowest personal income tax rates in Canada on the first $80,000 of income and the second-lowest marginal rate.

And that's only one part of our competitiveness plan. We set out to cut the regulatory burden by one-third and have exceeded that goal. Over the last five years, we've eliminated 157,000 needless regulations and cut the red tape burden by 41 per cent.

We reversed a $3.4-billion structural deficit and have not only balanced the budget, but achieved record surpluses. Last year we had the largest pay-down in debt in B.C. history. And the investment community has noticed.

We've had several credit upgrades from all of the bond ratings agencies, and just been given a triple A rating, the highest credit rating possible by Moody's. B.C. has not had a triple A rating since 1983. That is almost a generation ago. Today we have joined the Government of Canada and the province of Alberta as the only governments with a triple A rating from Moody's.

The results speak for themselves. We've got the lowest unemployment rate in 30 years and are leading the nation in job creation. B.C. accounted for 30 per cent of all job growth in Canada in 2005.

We've had the highest weekly average earning increases in Canada and the largest jump in real disposable income in B.C. in 20 years. Virtually every sector of our economy is on a roll. And with the winter Olympics in 2010, British Columbia's Golden Decade is well underway.

We can no longer accept the excuses of the status quo. In today's world the status quo should have no status. After a decade of waiting for provinces to improve the internal trade so it was at least as open as our trade with the U.S., B.C. and Alberta acted bilaterally. B.C.'s new Agreement on Trade, Investment and Labour Mobility with Alberta is a great start.

It will make us the second-largest economy in Canada, after Ontario, and will provide us a huge competitive advantage. It is estimated to have a positive benefit in every region of our province, to create about 80,000 new jobs and to have positive economic benefits of about $4 billion.

Ontario should join us. So should every other province. This stuff works. Let's stop talking about free trade in Canada. Let's make it happen.

As we do that, we open up the Pacific opportunity to all Canadians. We need to aggressively leverage all of Canada's resources in the Asia Pacific. This is the second-largest country in the world. It is time to think big and to think tomorrow.

The Pacific century has been launched. It is upon us. It is ours to claim and ours to gain together—as proud Canadians. The growth of the Pacific is our ticket to future prosperity.

The last century is gone. The Pacific century is upon us. We cannot allow the opportunities of Pacific Asia to elude us because we studied too much and waited too long.

It is time to embrace the strength of our diversity and recognize Canada's Pacific opportunity and seize on the limitless opportunities that it provides to us all.

This is the next national dream. In the Pacific century ahead, we are limited only by our imaginations and our willingness to act. "Whatever you can do or dream you can, begin it. Boldness has genius, magic and power in it."

The Pacific will power a new generation of prosperity for Canada. We cannot wait. Let us act boldly together. Let us begin. Thank you.

The appreciation of the meeting was expressed by Lisa A. Baiton, Vice-President, Government Relations, Environics Communications Inc., and Director, The Empire Club of Canada.

Stephen R. Hastings, Vice-President, Marketing and Reader Sales, National Post, The Hon. Gordon Campbell, Premier of British Columbia, Patrick Sullivan, President, Workopolis, and Bryon C. Neiles, Vice-President, Customer, Regulatory and Public Affairs, Enbridge Gas Distribution.

October 23, 2006

A joint meeting of The Empire Club of Canada and The Canadian Club of Toronto

Elyse Allan

President and CEO, GE Canada

ASSURING CANADA'S PLACE IN THE TRANSFORMING GLOBAL ECONOMY

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada; Isabel Bassett, Past President, The Canadian Club of Toronto; Paul Tsaparis, President and CEO, Hewlett-Packard Canada; Becky MacKinnon, Executive Chair, Timothy's Coffee, and Chair, The Toronto Board of Trade; John Nay, Consul General, U.S. Consulate in Toronto; Ernie Eves, Ontario's Twenty-Third Premier, and Chair and Special Advisor, Ontario Investment and Trade Advisory Council; Pamela Purves, Principal, Purves Lynch Associates, and Director, The Canadian Club of Toronto; The Hon. Perrin Beatty, President and CEO, Canadian Manufacturers and Exporters; Len Crispino, President and CEO, Ontario Chamber of Commerce; and Noella Milne, Partner, Borden Ladner Gervais LLP, and President, The Canadian Club of Toronto.

Introduction by John Niles

I am going to start with a quote from Thomas Edison, who once said, "I find out what the world needs, then I proceed to invent."

One hundred years ago, what the world needed was a light bulb. And the reason I'm quoting Edison, and if you didn't know this, just pretend that you did, is that he was the founder of a little company called General Electric.

Well, things sure have changed a lot in the past 100 years. For example light bulbs have come a long way since those very early days.

One constant, though, over the past century, is GE as a major industrial and technological player. It was a conglomerate before there was such a word, growing from an electrical company into today's multi-faceted international giant. Now you'll find GE almost everywhere—energy production and transmission, health care, insurance, aviation and the media, even water.

But being a giant is not always easy. We've seen some, like Enron and Canada's own T. Eaton Company, collapse altogether, while others like Xerox have had to adjust to entirely new realities from when they started.

The global demand for natural resources, for example, is increasing at a staggering rate. GE knows this only too well. It would appear that the people running GE are also aware that the effect on our environment is now staggering.

Companies in Canada and around our planet face increasing challenge and responsibilities: How do we react to monumental change going on rapidly all around us? What about the inevitable transformations down the road? Fundamental change—positive or negative—requires businesses to modify the way they think and in many cases to reinvent themselves.

No large company is a better example of this mindset revolution than General Electric.

GE has stepped forward. It is taking the initiative when it comes to finding new technologies, new ways to conserve and save our planet. What many corporations are finding out is that solving environmental problems is not only the right thing to do, but a profitable one as well.

Tackling environmental issues is just a part of GE's stated mission to transform itself into a more efficient, aware, and lucrative company.

Today, we welcome one of General Electric's inventive leaders.

Toronto's own Elyse Allan started working with GE back in 1984, first in the U.S. and then in Canada. She later became the President of the Toronto Board of Trade, where she succeeded in enhancing the board's role as an active member of the city's community.

Elyse serves on the Board of Directors of the Canadian Council of Chief Executives, the C.D. Howe Institute, the Public Policy Forum, and the Board of Governors for the Canadian Council on Unity.

She's also a member of the Young President's Organization and the National Roundtable on the Environment and the Economy.

Her level of community commitment embodies the mission of GE as a good corporate citizen and a good neighbour. And we at the Empire and Canadian Clubs are thrilled to have her with us today to talk about ensuring Canada's place in this transforming global economy.

Ladies and gentlemen, please join me in welcoming to the podium the President and CEO of GE Canada, Elyse Allan.

Elyse Allan

Good afternoon, and thank you Canadian Club and Empire Club for inviting me to share some thoughts with you.

Looking at past addresses to your two groups, you both have a laudable record of confronting the pressing issues of the day. One that comes up again and again, regardless of the era, is how Canada can make its mark economically and bring prosperity to her people.

Consider this story from the Globe and Mail. It concerns a rising industry that has increased sales to the U.S. and Britain. The Ontario government, reports the story, is exploring ways to make these Canadian exports even more marketable. The goal is improved production, and an enhanced reputation for Canada's ingenuity and quality. The date of the article was October 23, 1906, exactly 100 years ago today. The export in question was horses. And the article was certain about one thing. "No matter what mechanical devices may be offered as substitutes," the Globe wrote, "the people of Canada, urban and rural, will continue to take an intelligent interest in the horse."

The horse may no longer be a pillar of Canada's export strategy. But that 100-year-old article is still instructive. It tells us that while the particulars may change over time, the overall challenges remain the same. It also tells us that Canada has adapted to changing markets before—and can do so again.

How do we define our relevance in today's dynamic global marketplace? How can we improve our competitiveness within the transforming world economy we now see?

Those questions were valid 100 years ago—and they are just as valid today.

A few weeks ago, I attended a meeting of GE leaders from throughout Europe, Russia, the Middle East and Africa. We were discussing trade flows and foreign direct investment in relation to market opportunity. In one presentation on emerging nations, we saw a chart of the leading GDP nations today, and a projection out 30 years. A colleague from Western Europe turned to me and said, "Look—our countries have disappeared."

But of course, Canada didn't disappear. The assumption is that we held our current course during that period. But, so did the emerging nations—and as a result we were overtaken.

How is Canada positioned today? By many key measures, we've had a strong run:

- From 1997 to 2005, Canada led the G7 in real GDP growth per capita, as well as employment growth.
- Unemployment is at its lowest levels since the 1970s.
- We had eight consecutive federal budget surpluses through 2004–2005.
- Our government debt as a percentage of GDP is the lowest of the G7.
- Earlier this year, KPMG named Canada as the lowest-cost G7 country in which to do business—for the sixth year in a row.

The news is good, right? Anne Golden, head of the Conference Board of Canada, has said that if Canada were a child, it would be in the gifted class: abundant natural resources, skilled human capital, political and economic freedom, and a free-trade relationship with the world's most dynamic economy.

Yet there are warning signs. In the latest Conference Board study, Canada actually lost ground in four of the six categories. The decline in "economy" is especially troubling, from 3rd in 2003 to 12th this year.

In many measures, we've done spectacularly well when we compare the Canada of 2006 to the Canada of years past. But quite simply, other countries are catching up to and in some cases surpassing Canada. We're losing ground in areas that are critical to our ability to compete globally.

As Anne says, "We're still in the gifted class—but we're being moved to the back of the room."

A recent report from PricewaterhouseCoopers, "The World in 2050," suggests just how big the emerging market economies will get. By the year 2050, the "E7" emerging economies—China, India, Brazil, Russia, Indonesia, Mexico and Turkey—will have easily outstripped the current G7 of U.S., Japan, Germany, U.K., France, Italy and Canada.

In fact, the E7 will be 25-per-cent bigger when comparing GDP using market exchange rates, and around 75-per-cent bigger when using purchasing power parity exchange rates.

There is no shortage of reports highlighting the dramatic economic and political changes that are taking place around the world today as China and India rise to dominance with other emerging countries a step behind.

These shifts present huge challenges to Canada and most countries in the developed world, but also tremendous opportunity.

I suggest the key to Canada addressing this new world order is nothing new. You can find it in one of the most astute observations ever made about economic success. It was made almost 150 years ago, not by a corporate titan or business guru, but by a man of science—Charles Darwin.

In 1859, Darwin published his famous theory, that the survival or extinction of each organism is determined by its ability to adapt to its environment.

Simply put, any entity that endures, whether in the animal world or the corporate jungle, must have the ability to adapt. In times of rapid change, those who adapt the quickest will survive. And it's equally true for living things, companies, and countries.

I am fortunate to be part of a company that took Darwin's lesson to heart. Nineteen years after his thesis, Thomas Edison founded the Edison Electric Light Company, which merged with another firm in 1892 to create General Electric. Four years later, we were on the Dow Jones Index—and GE is the only company on the Dow Jones today that was on the original index.

The secret to such longevity? Flexibility and adaptability. Today, our products and services range from aircraft engines to medical imaging, water processing to financing, and media content to power generation. An incredible variety, which we sum up in three words: "Imagination at Work."

At GE, we're guided by the desire to constantly embrace change, the opportunities around us, and the innovation within us. That's what it will take, too, for Canada and Canadian businesses to survive in this economy.

The message I want to leave you with today is that emerging markets are dramatically changing the economic and competitive landscape. To be successful, as a business and as a country, we have to be highly flexible and adaptable. In particular, there are four critical areas where this overriding principle must guide our actions in business and public policy.

- The first is our people—the skills and education of our human resources.

- The second involves our natural resources sector, and its ability to grow and be a global player.
- The third is the business climate we create—the ability for companies to be agile.
- And the fourth is the attractiveness of our country—ensuring that people and companies want to come here, stay here, and grow here.

Let me elaborate.

First, our people. What kind of work force does Canada need to make our mark in the global economy?

The competition for skilled labour is intense, and becoming more so. The whole world is graduating smarter people. We need a population that's well educated, with the skills and knowledge to compete with any other work force in the world.

It's not just specific skill sets that we need to succeed, but the willingness to learn. Our people must be able to think critically and think creatively, bringing value to whatever job or enterprise they are involved in.

In such a dynamic world economy, we will invariably experience both an inflow and outflow of jobs. We need people who are multi-skilled, and who can readily go from job to job, and opportunity to opportunity. We need young people who enter the work force with those aptitudes, and we need the right re-training for older workers. In a word, we need people who are adaptable.

Where do we stand? Canada has an excellent record of participation at the post-secondary level. Still, too many of our children fail to complete high school. Too many are lured into the work force before achieving the level of education needed for a stable, satisfying and productive career. Too few pursue apprenticeships in the skilled trades, and in the fields that will produce innovation.

China and India graduate over half a million engineers and scientists a year and the number is increasing. Meanwhile, in Canada and North America, the percentage of graduates in both fields is falling. That's just not acceptable.

Without young scientists, engineers and researchers, how can we make the discoveries, create the products, and develop the production processes that will keep our manufacturing ahead of the curve? How can we expect to compete successfully in tough global markets?

We need a breadth of post-secondary options, so that our young people can pursue paths that will be most rewarding to them, and that will also enhance our productivity.

We must focus on strengthening the full range of educational opportunities—elementary and secondary, literacy, post-secondary, adult education, job training, and every facet of lifelong learning.

Consider Darwin again. It's not the biggest animals who survive, or the fastest, or the tallest. It's the smartest, the ones who are curious, who learn from experience, and who adapt to and master their environment.

Canada's own environment has been blessed with a natural endowment—our resources. This is the second area where we need to adapt to ensure our continued competitiveness.

Think of the huge potential represented by the untapped hydro resources of Quebec and Manitoba, our expertise in nuclear power, and Alberta's oil sands. Our natural resources are in great demand. With the growth rates we're seeing in emerging economies, many expect that will remain true for years to come. In fact, emerging economies now consume half of the world's energy, and account for 80 per cent of the oil-demand growth.

We must adapt to these realities by encouraging the types of policies and investments in Canada that will help our natural resource sector to grow, to attract investment and to be a strong global player. We need a sector that is well connected to the customers—in Canada, the U.S., and across the globe—both fiscally and from a relationship standpoint.

Let's make sure, too, that Canada continues to be known not just for our natural resource outputs, but even more importantly for the associated technical knowledge and engineering skills that are our added-value inputs.

We need to capitalize on these special Canadian endowments—our resources, our people, our know-how.

Just as our people and industries must be flexible in order to seize opportunities in a transforming economy, so must our structures and rules. That's the third area in which we have to be more adaptable.

Companies need to be agile, they need to make fast decisions, and they need to be able to move quickly on opportunities. If government policies aren't going to help, they at least shouldn't be a hindrance.

Think of the often-burdensome regulatory process. In some cases, the time and headache of dealing with overregulation means that products and technology simply don't get introduced here in a timely manner—or at all. It means that companies will look at other places to set up shop and invest, places in which it is easier to operate and where policies are seen as friendlier.

It's not just regulations themselves, but the differences in regulations. In the case of Canada and the U.S., that includes thousands upon thousands of small differences, which cause added costs, wasteful duplication, delays, and a high degree of frustration for businesses and consumers on both sides of the border.

Creating a more harmonized regulatory framework is essential—especially as Canadian businesses seek to expand their supply chain and participate in the supply chain of growing markets.

A move towards regulatory convergence is a clear sign of our willingness to be flexible, and adapt to today's economic imperatives. We must keep evolving, as Darwin might say.

Fourth, as a business environment and as a society as a whole, we have to make sure that we remain a magnet to companies and their people.

Both are all more mobile than ever. Companies and people will go to places where they see opportunities and can prosper. What will keep them in or draw them to Canada?

I don't have all the answers. But I do know that we have to be known as a place where entrepreneurs can start up and grow, where we are open to foreign direct investment, where R&D flourishes and products can be commercialized, and where we can add value to global operations.

We are competing not just for companies but for people. We often look to immigration as a solution for our population and labour-force needs. But many countries are looking at the same solution.

Immigration can bring people who have the skills, experience and attitude that can add immeasurably to our competitiveness and national fabric. But who says that Canada will remain as attractive a destination as it has been in the past especially as emerging economies continue to grow like gangbusters? Many people who, in the past, might have emigrated may see just as good or better opportunities at home. In fact a Globe and Mail article just last week highlighted the significant decline in the number of applications for Chinese to emigrate to Canada.

This gets into larger questions of quality of life in Canada. Companies prosper when they can locate in places where people want to live and work. Will people find what they want in Canada, not just tomorrow, but a few generations from now?

The Canadian landscape is riddled with ghost towns—successful towns that died when they couldn't adapt to changes in their situation. Societies evolve and become more and less livable too.

For many years, we took pride, and rightly so, in Canada's performance on the U.N. Human Development Index. The HDI compares countries on a whole range of interrelated factors—education, literacy, poverty, GDP, and so on.

In the 1990s, Canada was number one on several occasions. There were prominent ads touting this fact. We don't hear as much about the HDI anymore, maybe because we keep slipping on the list, to fourth in 2004, and fifth in 2005.

Which countries will be most livable five, 10 and 20 years down the road? Where will Canada be on the list? How prosperous will our companies and citizens be?

To ensure our prosperity, we must innovate and adapt.

Yes, the world is changing. China is moving up behind us fast on the way to becoming America's top commercial partner. We face low-cost manufacturing from abroad. Jobs are being outsourced. Distances are shrinking. Borders are disappearing. New economies are emerging.

But this isn't an economic death knell; it's an incredible opportunity.

Economic growth creates competition, but it also creates consumers, and it creates demand for goods and services from industrialized countries.

Will Canada be relevant in the fast-evolving world economy?

- We will if we embrace the opportunities instead of fearing the competition.
- We will if we look for ways to make our own businesses more competitive.
- We will if we tap into our intellectual potential.
- And we will if we welcome the challenge of becoming more innovative and productive.

That's a challenge that GE faces every day in Canada. Take our plant in Bromont, Quebec, which makes blades and vanes for aircraft engines. It's one of the most productive plants in the GE aviation world, for one simple reason—the team's culture of adaptability and innovation.

They constantly compare themselves against—and compete for resources with—all of our aviation plants worldwide. As a result, they're forced to constantly adapt, to be flexible and to improve. And they do it.

That is the kind of spirit that makes me bullish on Canada. Being good enough isn't good enough. Succeeding in your local market or province often isn't good enough. Even making it in the U.S. market may not be good enough.

It's the nature of my own business to think globally, and consider how we in Canada fit into the global supply chain and marketplace. We have to benchmark against the best, and literally broaden our horizons to take advantage of the changing world economy.

So let's not be complacent about our success. Let's install the structures and policies and instill the attitudes needed to compete for people, ideas, and investment. Let's build on our natural strengths. Let's live up to our potential, and remove the obstacles to our increased prosperity.

So, what will it take for things to change? After all, business associations and interest groups have been talking about these things for ages.

A former political leader once told me that the government's priorities are defined by what people talk about in the church basements, and the temple, mosque and synagogue basements too.

Business groups and companies don't vote. People vote. And politicians listen to what's on the agenda of their constituents.

As business and community leaders, we need to ensure that our employees and fellow citizens are well educated, well trained, and well equipped to meet the ever-changing demands of today's workplace.

We need to help them understand the challenges and opportunities before us, as organizations and as a country. That includes seeing the world beyond our borders, and our relative position in it. And we have to encourage frank talk about the kind of country that we want.

Issues like health-care waiting lists and our aging hips may affect us with more immediacy, but people have to think about our grandchildren's Canada.

I would love for all of us to make crystal clear the link between our productivity and competitiveness, our health and happiness, and the quality of life that we all want to enjoy. A strong business and commercial sector is a critical underpinning.

Yes, emerging markets are dramatically altering our economic and competitive landscape. But I am confident in the ability of our people, our key sectors, our business environment, and our country to adapt.

The challenges are enormous—but exciting. After reading Darwin, British economist Herbert Spencer coined the phrase, "survival of the fittest." That is what it will take to address the challenges we face today and in the decades ahead.

By being flexible and fit, and embracing the opportunities before us, I am confident that Canada will do more than just survive in the global economy—we will thrive.

Thank you.

The appreciation of the meeting was expressed by Noella Milne, Partner, Borden Ladner Gervais LLP, and President, The Canadian Club of Toronto.

October 26, 2006

Joey Tanenbaum

Chairman and CEO, Jay-M Enterprises Ltd. and Jay-M Holdings Ltd.

MY GRANDPARENTS' LEGACY

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada; Nabila Qureshi, Grade 12 Student, York Memorial Collegiate Institute; Rev. Canon Kimberley Beard, BA, BEd, MDiv (Grace), Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Richard Wernham, President, Five Continents Group; William Thorsell, Director and CEO, Royal Ontario Museum; Dr. Michael Baker, Physician-in-Chief, University Health Network; The Honourable Bob Rae, PC, OC, QC, Partner, Goodmans LLP; Doug Morris, President, Morris Glass and Windows/Humidity Solutions, and Director, The Empire Club of Canada; Rabbi Ahron Grossbaum, Chabal Lubavitch, Toronto; David Naylor, President, University of Toronto; and Ronald Appleby, QC, Senior Partner, Robins Appleby & Taub LLP.

Introduction by John Niles

There is an old Jewish saying that I have loved and have long lived my life by and that is "when you save a life you change the world."

Philanthropy is a Greek word whose origins literally mean "love of humanity." Contemporary use of the term refers to the voluntary giving by individuals, foundations, corporations, or organizations to promote the common good. Philanthropy is a fundamental human impulse. Giving back in aid to family members, those less fortunate, to sustain communities, or cultures, the arts, or for the work of systemic social change has been around for years. However, never have we seen such a ground swell of attention given to it.

Philanthropy exemplifies the ideal of private action in the public interest, demonstrating our faith in the capacity of individual citizens not only to create wealth, but also—voluntarily—to care for their country, their communities, and their fellows without undue reliance on government.

Philanthropy shows our commitment to the well-being of our neighbours and of strangers in need. For many, philanthropy also reflects deep religious faith and a determination to live by the Golden Rule. Philanthropy is about receiving as well as giving, and a free and vibrant civil society summons its members to create and lead organizations, programs and institutions out of a sense of higher purpose that transcends their own interests and base motives.

The Empire Club Philanthropy Series hopes to add to this ground swell as we endeavour to have individuals, and leaders of foundations, and corporations in all walks of life come and speak about the importance of giving back. We hope they will tell us where the impulse to give back began in their lives and why and how they have done so as a means of inspiring others to do the same.

Today we are honoured by having Joey Tanenbaum.

Mr. Joey and Mrs. Toby Tanenbaum are well-known philanthropists and have given more than $75-million worth of donations of art to the Art Gallery of Hamilton.

As well they have given over $93 million in art and financial donations to the Art Gallery of Ontario in the last 35 years. This does not take into account the millions that they have given to the Four Seasons Centre for the Performing Arts, and the millions that have been given to the Toronto Western Hospital and many other fine institutions of art, health and culture.

Mr. Tanenbaum is Chairman and CEO of Jay-M Enterprises Ltd. and Jay-M Holdings Ltd., and Past Chairman, Hydro-Pontiac Inc. and Pembroke Electric Light Co. He has been a patron, president, director, and member of many charitable foundations.

He was a recipient of the Roy A. Phinnemore for Accident Prevention Award, the Lescarbot Award, 1993, Ontario Association of Art Galleries, Partners/Individual Award, 1993, the Arbor Award, University of Toronto, 1996, the Montblanc de la Culture Award in Canada, 1997, the Commander's Cross of the Order of Merit of the

Sovereign Order of Malta, 1996, was the 1994 Honoree, Negev Dinner, Jewish National Fund, and is a Member of the Order of Canada. Will you please greet with me Mr. Joey Tanenbaum.

Joey Tanenbaum

Mr. President, distinguished head table guests, dear friends, members and guests of the Empire Club of Canada:

My late beloved grandfather Abraham Tanenbaum arrived in Toronto in August of 1911 with only $8 in his pocket. He told me that on board the ship from Hamburg to New York, he met two landsmen, which means two men from his own village of Parczew in Poland and when he asked them where they were going, they said, "To Toronto." My Zaida (my grandfather) enquired if Toronto was in America. When they replied positively, he said, "Then I will go with you to Toronto."

The three travellers landed initially in Halifax and then travelled by train for five days arriving at 2 p.m. on a Friday afternoon, just before the Sabbath at the southwest corner of St. Clair Avenue and Runnymede Road. This was where the trains came in. The place was called The Junction, because it was where all the rail traffic to Toronto from the East, the West, and the North converged.

Because my Zaida was much more observant than his companions, he decided that he would stay in the area and try to find a Jewish home with a mezuzah where he could spend the Sabbath. After that, he thought he would proceed on Sunday to the Spadina and College area, where he knew there was a Jewish community. As a matter of interest a mezuzah is a parchment scroll with selected Torah verses placed in a container and affixed to the exterior doorposts of observant Jewish homes.

Fortunately for our family, one block south of St. Clair and just east of Runnymede was—and still is—Maria Street. There my Zaida found a small thriving enclave of immigrant Jews. He was so enchanted with the place, he didn't just spend the weekend; he decided to settle down on Maria Street, and made his home there for the next 40 years.

My Zaida started out as a pedlar with a pushcart. After three years, he had saved enough money to bring my beloved Bubbie (my grandmother) and their two children—eight old Joe and five-year-old Max—to Canada. They arrived on August 3, 1914, the very same day that the British Empire declared war on Germany and the First World War began for Canada.

Then my two aunts were born—Aunty Sara Katz, in 1915, and Aunty Esther Gottlieb, in 1918—the first members of our family to be born in Canada.

By 1917 Zaida was able to buy his first ferdele, his first horse. He would tell me in Yiddish, "Yoselebein es hast gewesen the shoenste ferdele in the ganze weld," that it was the most beautiful horse in the whole world. Both my Dad and my Uncle Joe would say, "It was the ugliest beast you ever saw!" Which proves that beauty is in the eye of the beholder!

Now that my Zaida had a horse and wagon, he needed a piece of land to store all of his used material. He was able to purchase the northwest corner of Runnymede and Dundas Street—three hundred feet west on Dundas and five hundred feet north on Runnymede—for $200 in cash and $1,800 first mortgage at 3 per cent. The man who gave Zaida the mortgage was none other than Herb Soloway's late grandfather.

Within four years—that is, in 1921—a real-estate agent came to Zaida to purchase part of the corner, sixty feet by sixty feet. Zaida would tell me how he sold the piece of land for $16,000 cash to the Toronto Railway Commission, which today is the TTC. But the Mail, the predecessor of the Globe and Mail, reported that Abraham Tanenbaum had sold the corner of Runnymede and Dundas, to be used as the most westerly turning-point for Toronto streetcars, for the princely sum of $96,000.

Purely a typographical error!

Zaida told me the banks came to him and said, "Mr. Tanenbaum, anything you want, you can have." Zaida's reply was "I'll give you $16,000 now and the other $80,000 at a later date, provided you're good to me." In August of 1942, he told me that the bank was still waiting for the other $80,000!

The Year of the Horse, 1917, marked the beginning of Runnymede Metal & Salvage Company. It also saw the first of the sacrifices that the second generation would make for the future of our family. On December 11 of that year, Zaida took Uncle Joe out of Grade 6 to help with the fledgling business. Uncle Joe's role was to look after the employees in the yard and later to manage the wrecking of the buildings and bridges that would be demolished by Runnymede.

My father Max had it a bit "easier." He stayed in Annette Street Public School until be completed Grade 8! Dad would tell the story of how he celebrated his Bar Mitzvah on June 28, 1922, and how, on the following Monday, Zaida took him into the business as well. Dad's first job, at the tender age of 13, was to deal with the banks.

In fact I still have hanging in my office the original balance sheet that my Dad prepared on July 18, 1924. It shows that the family assets, less the liabilities, came to the grand total of $21,722.78.

By 1928 the foundations of the family business were laid. Zaida and his sons purchased the complete structural steel inventory of Reid & Brown, which had gone bankrupt that year. This purchase catapulted what became Runnymede Iron & Steel Company into the steel fabricating business. By the outbreak of World War II Runnymede was the second-largest steel fabricator in the City of Toronto next to Dominion Bridge.

What my Zaida taught his sons about business, he handed down to me as well. He imparted to me his wisdom and his principles. What he gave me was a philosophy of life.

Every Sabbath after lunch, I would sit with Zaida and "vertatch a blatt gemarah"—that is, study a portion of the Talmud. It was during these warm and meaningful discussions in Yiddish that I came to understand the importance for every individual never to forget from whence he came. He also taught me that you must never make money your god, that there is only one God, and that is the God in heaven.

Zaida was the one who told me that I must make business my science. He said, "Never get involved in a business you know nothing about." When I was still very young, I asked him, "Zaida, how did you become so wealthy?" His answer was, "My son, I would buy for a dollar and sell for two dollars, and make 1 per cent." I said, "But Zaida, that is not 1 per cent, that is 100 per cent." My grandfather looked at me with his beautiful, piercing blue eyes and said, "My son, I made it. It's 1 per cent."

I must tell you that I did not argue with my Zaida. I learned a basic lesson in business life. This is why I like to sell some of our assets from time to time and make Zaida's "famous" 1 per cent!

From my late father, Max, I learned a harder lesson, a lesson that would stand me in good stead in the years to come. For my Dad, family came first and foremost. He was a man of vision and a man of strength. He was determined to make his children strong as well, to prepare them for the rough shoals in life. His philosophy was very simple but very effective. In the words of Goethe's "Faust," it was: "That which you inherit from your fathers, you must earn in order to possess."

It was those words that sustained me during the terrible economic upheaval that took place in this country in 1982, especially in the steel-fabricating business. With my dear wife, Toby, standing by my side, and with the love and support of our five children, we came through the crisis. And I was able to repay the bulk of our tremendous debt to the Canadian Imperial Bank of Commerce by April 26, 1989.

I would like to think that Zaida was watching me on that day. He would have understood why repaying the bank—our family's bank since 1924—was one of the proudest days of my life. My Zaida knew better than anyone the importance of honouring a debt.

Both of my grandparents helped me to understand and take pride in what it means to be a Jew. By their words and by their living example, they taught me to love and to honour our faith, our history, and the traditions of our people.

One of my most precious memories dates back to 1935. On one particular Sabbath, my beloved grandparents had weekend guests: six rabbis with long beards. My late brother Harold and I nicknamed them "cowboys."

At lunch that day, I noticed that my grandmother was not eating. I left the table and went to the kitchen to ask her why she was not partaking of the Sabbath meal. She told me in Yiddish that there was not sufficient food. I immediately said, "Bubbie, it's not right that they should eat and you not eat." Her reply will always be with me, for she said, "Yosseleben, gedenk ein mein kind, wie wenig a yid hat me muss zuteilen."—"My child, one must always share with one's fellow man, regardless of how little one has."

These words became the essence of my being; that is, to help those in need.

Both Zaida's and Bubbie's commitment to Judaism was incredible. It permeated every aspect of their lives, and ours as children. Every Sabbath, we grandchildren would go to morning services at Maria Street Synagogue, and then to lunch at Bubbie and Zaida's home at number 138. All the preparations for the High Holidays would take place there, especially Rosh Hashana in the fall, and Passover in the spring.

My Mom with her children and Aunty Faye Tanenbaum and Aunty Sara Katz with their brood all moved in with Bubbie and Zaida three to four days prior to the holidays. Aunty Esther Gottlieb and her family lived just across the street. While the women helped Bubbie prepare the festive meals, we children had a great time staying out of their way. We would busy ourselves feeding the chickens that Bubbie kept in the backyard, or playing the well-known "Maria Street baseball" which was with the droppings from the horses.

Those were warm and happy days when we were young, and thinking of them can still bring me to tears.

In all our years together, my dear wife and I have been extraordinarily fortunate in so many, many ways. We have always felt most fortunate to be Canadians, especially growing up here during the Second World War.

This country gave all who came here—my grandparents from Poland, Toby's own parents from Russia—equality of opportunity unknown in Europe until the second half of this past century. Canada gave us, as Jews, freedom unavailable almost anywhere outside the State of Israel. Here in this incredible country, we have always had the absolute freedom to practise our religion, and to pass on to our descendants the light of our faith and our historic heritage.

I believe this is a fundamental reason why Canada's 300,000 Jews are a presence on the national scene out of all proportion to our numbers. We have seized the infinite opportunities this country offers. Though we represent little more than 1 per cent of the total population, the contributions of Jewish Canadians to Canada's economic, scientific, and cultural development have been significant.

I, for one believe that we have a special duty—to Judaism, to ourselves and to our country—to "earn what we possess," with generosity and with honour.

Twenty-one years ago my Toby was the catalyst in encouraging me to give our initial major donation to help establish the first permanent home for the Canadian Opera Company. Subsequently, Toby and I have jointly agreed on all our major donations whether it be for improving our health-care facilities, for medical research, for higher education, for the arts or for various religious institutions. I was the second Jewish citizen in Canada to receive the Commanders Cross of the Order of Merit from the Knights of Malta for our gift to the Pontifical Institute.

We believe that we Canadians live in the best country in the world and that it is imperative that we should set an example of true "Tzdakeh." This Hebrew word literally translated does not mean charity; it means "obligation." That is, it is the obligation of every Canadian citizen who is financially successful to share with others who are not as fortunate.

Over the past 25 years we have given gifts of art to various cultural institutions including the National Gallery in Ottawa, the Art Gallery of Ontario, the Art Gallery of Hamilton, the Royal Ontario Museum, and the Art Gallery of Greater Victoria. Over and above the art we have given in cash to various hospitals and charities many millions of dollars.

Toby and I sincerely hope that we have, in some small way, set an example for our fellow Canadians to follow in our footsteps.

Before I close I would like to pay tribute to my bride of close to 52 years—my Toby. Please stand up and be acknowledged for all that we have accomplished together.

The appreciation of the meeting was expressed by Doug Morris, President, Morris Glass and Windows/Humidity Solutions, and Director, The Empire Club of Canada.

November 2, 2006

Larissa Becirovic

Grade 10 Student, Richview Collegiate Institute
Finalist, Essay Competition

Julie Harmgardt

Grade 11 Student, Thomas A. Blakelock High School, Oakville
Finalist, Essay Competition

Joseph Singh

Grade 10 Student, St. Michael's Choir School
Finalist, Essay Competition

STUDENT ESSAYS ON "WHAT A MAYOR SHOULD DO"

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Catherine S. Swift, President and CEO, Canadian Federation of Independent Business, and First Vice-President and President-Elect, The Empire Club of Canada; Rev. Canon Kimberley Beard, BA, BEd, MDiv, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Royson James, Municipal Affairs Columnist, Toronto Star; Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group, and Director, The Empire Club of Canada; Marc Kielburger, Co-Founder, Free the Children; Taylor Gunn, Chief Election Officer, Student Vote; and Fred Kuntz, Editor-in-Chief, Toronto Star.

Introduction by John Niles

At the height of Mark Twain's career as an author and speaker he was making one dollar a word for every word he wrote. That is quite a significant amount of money for any author, even today.

A couple of students heard about this and sent him a letter—when there were still letters and not e-mails and text messages. And they enclosed one dollar in the letter. They asked the great Mark Twain to send them his best word. They received a reply in a letter a while later with one word—THANKS—signed Mark Twain. It's a good word.

Today we are thankful to have three people who will give some good words and advice, all three of whom will be awarded more money per word than Mark Twain ever received in his writing career.

Over the course of the last month more than 200 young people wrote to us about their views on what they thought the mayor of their community should be doing.

It was truly a very difficult task to decide who ought to come to the semifinals and give their speech. And it was even more difficult to decide after hearing the 16 students which three would be given the opportunity and honour to speak at the Empire Club of Canada.

The Empire Club of Canada you understand is the premier speakers' forum of North America. It is where every prime minister of Canada has spoken as well as many presidents of other countries like President Reagan of the U.S. and Prime Minister Winston Churchill of England. This year His Excellency Mr. Vladimir Putin, President of Russia, and Her Excellency Viera Vika Frieburga, President of Latvia, have spoken to us. Ambassadors like Michael Wilson will speak to us in January. Royalty like Prince Philip and the Queen Mother and His Royal Highness King Hussein of Jordan have also spoken to us. Heads of corporations like Bill Gates have spoken to us as have writers like Rod McQueen, Ted Barris, Peter C. Newman, Robertson Davies, Margaret Atwood and W. O. Mitchell.

And today Larissa Becirovic, Julie Harmgardt and Joseph Singh will speak to us.

After all three have spoken, it will be the audience's difficult task to decide who will be the one to win this speech contest. Everyone who has written is already a winner for having simply done so. However, only these three will receive an award. All three are already winners. You, however, will decide who will win first place.

Larissa Becirovic

Issues Affecting Teens in Toronto

My name is Larissa Becirovic. I am a high school student, a citizen of this great city, and a future voter. I was very intrigued by the article in the "Toronto Star," which informed me of my influence in the future, and that I can take that influence and apply it now in the municipal government of Toronto. Just the idea of my thoughts, opinions and positive ideas having some impact on the city that many people call home was something I could not disregard. In this case, I must say that I believe my future mayor, the person who has the power and responsibility to effect change, should focus their attention on the crimes that have made an increasing impact on this city.

Our city has low crime ratings compared to other major cities; we ranked a low 28th place in homicide and robbery, and an even lower 29th place in breaking and entering. In comparison, we are doing a successful job in keeping those rates low. However, there is one rate that has begun to increase steadily. This rate is youth crime, where the number of offenders is increasing and the percentage of youths being charged has been increasing as well. These crimes include school assaults, and gang violence. One example was the murder of a young man in Flemingdon Park, whose killer has not yet been found. The fact that the city's young people, like me, could lose their life because of the mistake of involving themselves in a gang is outrageous.

The future cannot lie in the hands of people who only look out for their own interest, and disregard the needs of others and our justice system. That is why I suggest that the mayor should enforce more justice in catching the people who are out to corrupt our streets, because the lives of our fellow citizens are more valuable than anything else. Possible solutions for this problem are to enforce more police in areas where gangs mark their territory. We have more than 80 different gangs in this city that involve over 2,000 young people. Another way to combat the rise in youth crimes is to increase the amount of money that goes into our schools, not only for academic purposes, but for extra-curricular activities and other programs. Textbooks may provide the book knowledge that a student will carry with them throughout life, but extra-curricular activities teach fundamental social morals that guide the student onto the right path. With an increase in these activities, there is no doubt that crimes pertaining to the youths of our city will decrease. The positive sense of belonging that is automatically felt when joining a team or club is more valuable than the acceptance of a gang to any teen.

Another crucial aspect of Toronto that I would like to see changed is the amount of hate crimes that are found in our city. As a Canadian, I am proud to know that my background ethnicity is accepted and respected in this multicultural country, yet some people do not find this true for them. There are many different people that call Canada home, so the hate crimes that are found on our streets are just not acceptable. Whether it is vandalism on a religious building of worship, an assault because of racial or ethnic backgrounds, or torment because of a person's sexual orientation, it should not be tolerated. There has been a considerable increase, yet most cases have not been reported. That is why I believe that our future mayor should encourage the people into valuing other's ethnicities, whether by an increase in multiple community outreach programs, or by having the many communities come together, instead of the way that they are now, which is separated. The respect that this would promote will definitely increase tolerance, and decrease the rate of hate crimes that people experience just for being different.

In conclusion, I truly find that my future mayor should do anything in their power to decrease crime in Toronto. This would ensure that the voters of today and tomorrow will have the sense of a safe and reliable justice system. Also, specifically targeting youth and hate crimes will not only be the foundation for a more peaceful and successful future, but make the citizens of this proud city feel that they are valued beyond compare. This is because this opportunity has long ago presented itself as the only way to set an example for the generations to come, and it is something that I want to see enforced and taken seriously in my municipal government.

Julie Harmgardt

Good afternoon ladies and gentlemen. My name is Julie Harmgardt and I'm sixteen years old. And, the last time I checked that meant I was too young to vote. But, that doesn't mean I'm too young to care. First, I want to let you in on a little secret. In case you haven't already guessed, I'm not a world famous chef. Actually I'm not even very good at cooking. I'm just your typical grade 11 teenager. So that may lead you to wonder why I'm here to share a recipe with you. Bear with me, and you'll soon understand. It's not a secret recipe or anything. Actually, it's been widely publicized in communities all across Canada. And, don't worry, it's not full of those exotic ingredients you never seem to have. In fact, I'm sure you have them all within arm's reach. Now pay close attention, here we go:

Thousands of Oakville children
One high definition TV
Five new release movies
Six popular video games
One, 2 GB computer
One high-speed Internet connection
One cell phone with unlimited evenings and weekends

Combine all of the ingredients for many years, until thoroughly mixed. Cook on a back burner for several more. Voilà! There you have it, the recipe for overweight, under-active Oakville youth, whose focus on technology and lack of exercise leads to obesity, health risks, poor sleep habits, falling grades and even an increase in crime rates.

Sounds frightening doesn't it? Well, that's why something must be done! As Mayor, I'm imploring you, put a plan in action today, so that Oakville's young people won't fall victim to this terrible fate. Nowadays, everyone is preaching the importance of exercise in reducing anxiety, and depression; acknowledging that physical activity increases self-esteem and academic performance. Blah, blah, blah... tell me something I haven't heard! Do you realize that upon graduation, students have spent more time in front of a TV screen than in a classroom?

Oakville should implement a program that would allow free recreational access for youth up to the age of 21. Now I'm not just talking about the regular swimming pool, skating rink, and fitness centre. It's time for a little innovative thinking; after all it is the 21st century! Youth all across Canada think their community is boring! So why not offer Oakvillians something new and exciting? A wave pool or a glow in the dark ultimate Frisbee league would be fun. Or perhaps an archery facility for budding Robin Hoods or an indoor cycling track for wannabe Lance Armstrongs.

Complex obstacle courses would surely make youth take up the "Survivor" challenge.

Still skeptical? Listen to these stats:

Forty-eight percent of Canadian kids, aged 8 to 15, have their own TV and thirty-five percent have their own VCR. Twenty-six percent have their own computer hooked up to the Internet. And twenty-two percent have their own cell phones by grade 10. Depressing, don't you think?

So, Mayor, the future health and emotional well-being of Oakville's youth is in your hands. Will you and council send us on a path of inactivity and boredom? Or can we count on Oakville to focus on the needs of its young citizens? And, in closing, remember this scary thought... one day we'll all be old enough to vote.

Joseph Singh

Whenever you hear a decision-maker or someone of relative importance speak about youth, most of them have the same comment: that we must invest in youth because they are our future. This saying, in my opinion, is highly inaccurate. Youth are not the future; youth are the present. Youth are the population that is changing the world; a global movement that is striving to make a difference. Margaret Atwood said, "I never understood why people consider youth a time of freedom and joy. It's probably because they have forgotten their own."

Toronto is such a diverse city in every sense of the word. Not only is Toronto diverse in terms of culture, but also in terms of opportunity. It is a city of so much hope for many, yet it is a city of despair for others. Our next mayor must make it a priority to invest in youth in our city. Our main problem lies in dealing with youth living in so-called at-risk neighbourhoods. These communities, which are said to be the root causes for guns and gangs in Toronto, are communities that have been built with little or no support and services specifically in areas with high concentrations of social housing. An elected city council and mayor in Toronto must ensure that support services and programs for people living in low-income communities are created to service the needs of each community. This means empowering youth through leadership, sports and homework help programs after school and also through creating employment opportunities in partnership with trade unions. We must have quality guidance councillors in each school to ensure that youth are on the right path in their education. I also feel that in this day and age, in this competitive generation, we cannot afford to turn away qualified students from university because of their economic situation. In addition to this, we must give adults, parents, the opportunity to break the cycle of poverty through employment and job skills training and importantly for immigrants, through language and job retraining programs. As we all know, most immigrants living at or below the poverty line were professionals in their native country.

Through allowing families to exit the cycle of poverty, we empower youth. In providing positive alternatives for youth, we give them hope, the lack of which causes violence. If we give youth the opportunity to succeed and accomplish their dreams, we give them hope that they can aspire to whatever they want to be. In order for our next mayor to have success in these endeavours, he/she needs to be a leader. He/she should be able to lead and unify city council on pressing issues such as funding programs in at-risk communities. Our next mayor needs to be an even better listener than he/she is a speaker. That person needs to be able to listen to all citizens, especially youth, not only those eligible to vote for them.

It is often said that "It takes a village to raise a child." This saying can be no more appropriate for this issue. In order to give youth a real chance at success, it requires the partnership of all the parts in a community. A politician who realizes this would prove to be a great mayor for an even greater city.

Thank you.

The appreciation of the meeting was expressed by Catherine S. Swift, President and CEO, Canadian Federation of Independent Business, and First Vice-President and President-Elect, The Empire Club of Canada.

Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook, Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, Marc Kielburger, Co-Founder, Free the Children, Royson James, Municipal Affairs Columnist, Toronto Star, and Fred Kuntz, Editor-in-Chief, Toronto Star.

November 8, 2006

Peter F. Love

Chief Energy Conservation Officer, Conservation Bureau of Ontario

GREEN IS GOLDEN: HOW TO PROFIT FROM ONTARIO'S NEW ERA OF CONSERVATION

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada; Salman Syed, Senior Student, George Harvey Collegiate Institute; Reverend Dr. Ted Reeve, Program Co-ordinator for Leadership and Theological Education in the Faith Formation and Education Unit, The United Church of Canada; Phoebe Lusk, English Student, University of Guelph; Adèle Hurley, Member, Ontario Power Authority Board; Ken Elsey, President and CEO, Canadian Energy Efficiency Alliance (CEEA); Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada; Barry Beale, Director, Conservation and Distributed Energy, Ontario Ministry of Energy; Joyce McLean, Director, Strategic Issues, Toronto Hydro Corporation; and David Weiner, Senior Partner, NATIONAL Public Relations.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

Ancient philosophers as far back as Thales of Miletus had inklings of the profound significance of the conservation of the all-important underlying substance of which everything is made.

Thales of Miletus, the Pre-Socratic philosopher, was far ahead of his time given that he was born in 624 BC and we only started to think in the same way in the last number of years.

Many regard him as the first philosopher in the Greek tradition as well as the father of science and perhaps the first Chief Energy Conservation Officer due to his desire to discover and conserve the elusive matter called energy.

However, 2,631 years later Peter Love holds that title. Peter Love has enjoyed a long and distinguished career in the area of energy efficiency. He most recently served as the Executive Director of the Canadian Energy Efficiency Alliance, a multi-stakeholder organization that has promoted energy efficiency and its related benefits to the economy and the environment.

He also co-founded the Summerhill Group, a firm that specializes in creating energy and environmental programs that encourage sustainability.

Mr. Love was also instrumental in the creation of the EnerQuality Corporation, and served as its president. In this capacity, he was responsible for delivering a series of energy efficiency programs for new homes across Ontario.

Mr. Peter Love is no stranger to the concept of a "cultural shift" in the province. Early in his career, as a project co-ordinator for Pollution Probe, he worked with the team that developed the concept—reduce, reuse, recycle—and co-founded and led a coalition to advocate responsible waste management policies and programs.

As recently as March 2005, he was an invited speaker at the "Global Blueprint for Energy Efficiency in Buildings," a Washington D.C. think-tank session with 50 experts from the E.U., Canada, U.S. and Mexico. An active volunteer and community activist, Love has served on the National Advisory Committee on Energy Efficiency, and as the Director of the Canadian Coalition on Acid Rain.

Peter Love received both his MBA (1983) and his BA (1971) from the University of Toronto.

Peter Love

Thank you John and good afternoon ladies and gentlemen. Let me start by thanking the Empire Club for this invitation. It coincides with the release of my annual report to the government and the people of Ontario. It's titled "Ontario, a new era in electricity conservation."

This era began, officially, with the 2004 legislation that created the Ontario Power Authority (OPA), the Conservation Bureau, and the role of Ontario's Chief Energy Conservation Officer. We're two years down that road and a lot of work has been done in a very short time. From my perspective, the net impact of all the new regulatory, planning, and conservation infrastructure is this: Ontario is beginning to conserve.

The Minister of Energy has set a high target—6,300 megawatts of conservation out of a renewed 24,000 megawatts of power infrastructure.

Clearly, as you'll read in my report, we have a long way to go. However, Ontario's new era in electricity conservation has begun and with further effort from the people both in this room and across the province will grow into a culture of conservation as real and important in Canada as another passion in my life—hockey.

There is some similarity between the two—hockey and electricity. Anyone who has kids in the game and pays a hydro bill knows it. The costs of both keep going up.

But there's a difference. In electricity, you can actually reduce the cost by using it wisely. Despite a salary cap, I'm yet to be convinced that the Maple Leafs are using their money as wisely as the many Ontarians who have begun to re-think their relationship with electricity.

I am no stranger to the field of conservation. Most of my career has been devoted to the environment and energy efficiency. And so when I was asked to become Ontario's first Chief Energy Conservation Officer, it was—

in the memorable words of The Godfather—an offer I couldn't refuse.

I did not come to this job blindly. I was quite familiar with the challenges that lay ahead, the largest of which is that most of us, for all of our lives, have taken electricity for granted.

With the flip of one switch, it lights our home, cooks our food and washes our clothes. Flip another switch and it powers our industry and businesses. Flip still another and our hospitals care for the sick and bring our children into the world.

Here and now, I want to ease your mind on one thing. I don't have a light switch for Ontario. Much to my surprise, my desk didn't come with one. My job, you see, is to convince a lot of people to find their own light switch, and use it.

The document you now have before you is my annual status report about how well I'm doing, how well the province is doing, our plans for next year, and what barriers to conservation need to be removed.

And the good news is this: Ontario is starting to find its own light switch. It's about time, too, because the province desperately needs people to use less electricity.

Today, 80 per cent of the province's electricity generation capacity of 30,000 megawatts needs to be replaced over the next two decades. That is because generation facilities have a shelf life, and power plants now capable of producing 24,000 megawatts in Ontario will have hit their "expiry dates" by 2025.

If you think of power generation as a gas tank, we filled up decades ago and today we're down to a quarter above empty. We'd be foolish to take a long drive into the future without re-fuelling, and until we do, we better use what we have as efficiently as possible.

Clearly, in the words of Bob Dylan who also sang at the Air Canada Centre last night, "the times, they are a changing." This change, however, is not without precedent.

Remember California? In the years 2000 and 2001, ratepayers there faced extremely high prices and rolling black-outs. That's the tank running out of gas, so much so that in January 2001 the Governor of California was forced to declare a state of emergency.

To avoid a similar fate here, the Ontario government set up the Electricity Conservation and Supply Task Force in 2003. Its report called for "a diverse supply and demand mix, including renewable sources, distributed generation and conservation."

Here is a quote from that report. "Ontario needs to create a conservation culture that delivers cumulative and sustainable improvements in energy use and demand response.

Ontario's long-term plan for electricity should include a comprehensive conservation strategy, with clear targets, reflecting a full analysis of the costs and benefits of conservation." The Ontario Power Authority was subsequently created and given the job of drafting a long-term electricity plan that would address our 24,000-megawatt gap. One-quarter of the gap—or 6,300 megawatts—is to be addressed through electricity conservation.

Clearly, no single sector can bear the responsibility of meeting the 6,300-megawatt challenge. It is a challenge that engages all sectors of society: households, large and small businesses, farms, large industry, municipalities, universities, schools and hospitals.

Nor does a culture of conservation happen overnight. It will require a disciplined and sustained effort over several years to engage stakeholders.

So, how do we do that? My report outlines the strategy in detail. It's called market transformation. That is, engaging the market to embrace conservation not merely because it's a good thing to do but a profitable thing to do both today and over the long road to 6,300 megawatts.

Now everyone already knows that conservation is good for the environment. That's a given, but I'm telling my friends in the environmental movement, it's not enough.

As electricity consumers, which all of us are, more and more people are beginning to discover that conservation saves money at home and in the workplace. And while that's wonderful, I'm telling government, it's still not enough.

Few people are aware of the impact of conservation on the economy as a whole. As our annual report points out, investment in electricity conservation in Ontario is between $300 million and $350 million per year. That has created 10,000 person years of direct employment, each and every year forward in Ontario.

The renewal of electricity infrastructure with the objective of improving efficiency—doing the same or more, with less—will be the driving force of conservation, along with environmental benefits and saving money. That's what will be enough.

When it comes to being of benefit to the economy, electricity conservation has a multiplier effect. It truly is a gift that keeps on giving.

Today I'm going to tell you about the Conservation Bureau's plan to meet the 6,300-megawatt challenge.

But first, let me share with you a recent finding by Canada's independent advocate for energy efficiency—the Canadian Energy Efficiency Alliance. The alliance, represented here today by its President Ken Elsey, has awarded Ontario a B+ grade in its sixth national report card on energy efficiency. That's up from a C- grade in 2004. This is the largest year-over-year ratings increase for any province in Canada since the alliance began its report card in 1999.

This is a tremendous accomplishment, of which I am personally very proud. Congratulations are definitely in order. First, allow me to commend the Ontario government for setting targets and the policy framework to make it all happen. Congratulations to the many organizations that design and deliver conservation programs in Ontario. Many of them are here today. But most of all, I want to thank the people of this province for bringing home this early win and for embracing energy conservation.

Some of the specific conservation measures that produced that B+ grade are identified in the inside cover of my report. Take a look for yourself. Given our early embrace of conservation, they're quite impressive.

If there's one indicator of Ontario's new era of electricity conservation, it's this: Electricity consumption was down 2.5 per cent on a per-capita basis from January to August 2006, compared with the same period the previous year.

And that includes August 1, one of the hottest days on record in Ontario, when dozens of Ontario companies voluntarily cut back their use of power to help the province get through the only power alerts of the year.

We also saw some new amendments to the Ontario Building Code go into effect and these will generate hundreds upon hundreds of megawatt savings for years to come.

These are impressive results, but they did not come with a zero price tag. There are some financial costs incurred in developing and running conservation programs. They represent a small fraction of the electricity savings and spin-off economic benefits that I've spoken about, but they still need to be factored into any cost-benefit analysis of conservation.

That's why cost-effectiveness is a core objective and component of every program designed and run by the OPA. We also build in evaluation, measurement and verification, so that we'll know precisely what each program cost to deliver and what the net savings were, in dollar terms, for the people of Ontario. We are fully accountable for the results.

There is a new economy emerging in Ontario, an economy that was born with the province's new era of electricity conservation. That is, the economy of energy efficiency.

This economy is being driven by the demand of both consumers and businesses to invest in better appliances, equipment and buildings that deliver the same or greater levels of service using less energy. It is an economy that like the computer economy before it, can explode upon our lives in ways unimaginable just a few years ago.

Think for a moment about compact fluorescent light bulbs, LEDs or light-emitting diodes, holiday lights, high efficiency air conditioners, and furnaces. Some of these products have been around for years, yet it is safe to say they are now viewed as mainstream rather than as alternative choices.

The new energy efficiency economy holds out a simple promise to the consumer: You can have your cake and eat it too. And it delivers on that promise. It is proof positive that maintaining your lifestyle and preserving the environment does not have to be a trade-off.

And, the new energy efficiency economy hold out a simple promise to business—investment in energy-efficient technology cannot only save you money. If you are in the business of developing, distributing, marketing or selling energy-efficient products to consumers or other businesses, there are whole new markets to open up to make you even more money.

For the business consumer, energy efficiency means no trade-off between maintaining your profits and preserving the environment. In fact, energy efficiency will go one better. It will improve your bottom line.

That's a message being embraced by the Toronto Building Owners and Managers Association (BOMA). Its conservation program is targetting 150 megawatts by 2010 in large office buildings.

The partnership between BOMA and the OPA has tremendous strategic significance. Commercial buildings are among our top-three targets for conservation in the province. One large, retrofitted office tower can yield one megawatt in conservation, so the payback potential for this initiative is huge.

Two more programs, a 90-megawatt conservation deal with the City of Toronto and a similar one with Toronto Hydro, will bring a total of 330 megawatts in savings for the city by the year 2010. This is especially timely because Toronto's transmission lines are heavily congested. Think of the 330 megawatts, then, as welcome relief for the city's transmission head cold.

Just this past Friday, the Premier and the Minister of Energy, and I, announced that we are expanding three residential programs across the province that had successful trial runs during the summer—Peak Reduction, Beer Fridge Bounty, and Summer Savings.

The rollout of these local pilot projects, two of which were developed right here by Toronto Hydro, demonstrates the emerging success of Ontario's conservation initiatives.

From big programs, like our Every Kilowatt Counts program that delivered energy and money saving incentives to every home in the province, to smaller pilot projects, like Refrigerator Retirement, that tested the viability of giving people incentives to give us their old inefficient appliances, conservation initiatives are starting to find their legs.

Still, some barriers to conservation remain. In my report, you'll find a list of 17 recommendations to eliminate them. At the top of my list is for us to aggressively model the California experience in codes and standards, specifically as they relate to appliances. It's important for us to collaborate with other jurisdictions, such as

California and New York, as well as other provinces to address one of the real demons in power consumption—phantom load. Perhaps I can convince Governor Schwarzenegger to call his next movie Death To Phantom Load.

Ladies and gentlemen, I would be remiss in not mentioning one final driver of conservation—all the householders, companies and institutions who helped us earn that B+ from the Canadian Energy Efficiency Alliance. You are the ones who are building a culture of conservation in this province.

If there is anyone out there who hasn't yet climbed on the bandwagon, now is the time. It's a big one, and it's getting bigger every day.

The Conservation Bureau is doing its part. We are home to incredibly dedicated employees who come to work each day with great pride of purpose. But we can only point the way.

As I am fond of saying about conservation, everyone has to find his or her own light switch. Yours might be as simple as discovering the joys of LED lights this holiday season, or saying good-bye to your last 60-watt bulb. To help you do that, the folks at Home Depot have given you a couple of free compact fluorescent lamps (CFLs) to get you started. They are one of the many companies in Ontario who are starting to embrace the new energy efficiency economy.

You might also want to start a new trend in your office next summer by joining Premier McGuinty, myself and many others in mothballing your jackets and ties from June until September, or signing a petition to get the thermostat turned up.

If you haven't done any of this before, you are in for a pleasant surprise. It's called more money in your pocket and a sense of pride and accomplishment.

Ladies and gentlemen, Ontario is going to meet its 6,300-megawatt challenge. We have the momentum, and the proof is in the annual report now in your hands.

Ontario has already reduced its consumption by 2.5 per cent and, by 2007, I hope, will reach my challenge for a 10-per-cent reduction.

We have growing demand for conservation programs. More and more people are discovering that green is golden.

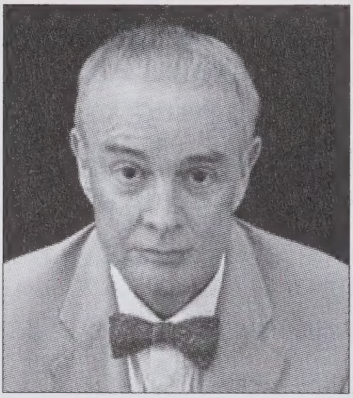
We have a growing commitment and determination to get the job done.

Ontario is finding its light switch. Make sure that you find yours. You'll contribute to the reliability of Ontario's electricity system and reap the cost benefits at the same time.

Thank you very much.

The appreciation of the meeting was expressed by Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada.

Dr. Madsen Pirie, President, Adam Smith Institute, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.



November 16, 2006

Dr. Madsen Pirie

President, Adam Smith Institute

THE ECONOMIC FUTURE OF CANADA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

John C. Koopman, Vice-President, Spencer Stuart, and Past President, The Empire Club of Canada; Paul Daniel Muller, President, Montreal Economic Institute; Tim O'Neill, H. Ian MacDonald Visiting Economist, Government of Ontario; Robin V. Sears, Principal, Navigator Limited, and Director, The Empire Club of Canada; Tim Murphy, Barrister and Solicitor, McMillan Binch Mendelsohn; Terence Corcoran, Editor, Financial Post; Peter Foster, Journalist and Author; Rev. Bill Middleton, Minister, Armour Heights Presbyterian Church; and James Gibbons, Senior Student, North Toronto Collegiate Institute.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

On 16 July 1790, Adam Smith rose from a candle-lit table in Edinburgh where he had been enjoying the after-dinner conversation of friends, saying that he felt a little tired and would retire to bed. It had been the last conversation of his life.

So died a remarkable man. He was however not a boisterous man but a quiet, thoughtful and a modest man, one whose thoughts and actions still affect the lives of every one of us in this room.

Why have we been so affected by him? It is because he was one who saw the importance of privatization over 200 years earlier than the rest of the world and knew that the wealth of nations derives from what he called "the uniform, constant, and uninterrupted effort of every man to better his condition."

Adam Smith stated in "The Wealth of Nations":

"It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.

"He... neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security...."

The basic principles of Smith's approach—the importance of free trade, putting consumers before producers, allowing and encouraging competition, rolling back government regulation, and preventing politicians from trying to shape economic life in their own image—are present in some form today within our system of wealth creation and government regulations.

Adam Smith stated, "As one person pursues his own interest he frequently promotes that of society more effectually than when he really intends to promote it."

Or as Mae West said, "I never loved another person the way I loved myself."

Dr. Madsen Pirie is President of the Adam Smith Institute, and was one of three Scots graduates working in the U.S. who founded the institute in 1977. Prior to that, Dr. Pirie worked for the House of Representatives in Washington D.C., and was Distinguished Visiting Professor of Logic and Philosophy at Hillsdale College in Michigan.

At the institute, Dr. Pirie was part of the influential team, which pioneered privatization and the extension of market choices and incentives. His work in helping to develop the Citizen's Charter led to his appointment to the Prime Minister's Advisory Panel from 1991–1995.

A graduate of the universities of Edinburgh, St Andrews and Cambridge, Dr. Pirie is author of several books including "The Book of the Fallacy," "Micropolitics," "Privatization in Theory and Practice" and "Blueprint for a Revolution." With his colleague Dr. Eamonn Butler, he has co-authored a series of books on IQ, including "The Sherlock Holmes IQ Book."

The institute itself remains at the forefront of a worldwide movement towards competitive free markets and free trade.

Please welcome to the Empire Club of Canada—Dr. Madsen Pirie.

Madsen Pirie

Thank you very much.

I'm spending a day in Canada. I was asked at the airport the purpose of my visit and I said, "To save Canada from socialism and wickedness." The man at the airport said, "How long are you staying?" I said, "Forty-eight hours." I'm going to say, "Job done," if I see him on the way out.

It was quite a day I have to tell you. I paid airport tax and I paid insurance tax and then I found myself paying something called PST tax and something called GST tax. Already I'm paying income tax, capital gains tax, council tax and value-added tax. I even pay stamp duty. The only one I have not yet paid is inheritance tax and I'm in no hurry to pay that one. Benjamin Franklin famously remarked, "There are only two certain things in life—death and taxes." What he didn't add was that they usually come the wrong way round.

The problem with the British tax system, and I'm sure this isn't true in Canada, is it tends to be very complex. Our last budget added another 90 pages and the Treasury was told that this was getting to be ridiculous and could it work on a simplified version. It came up with a two-sided piece of paper. On one side it said, "How much do you earn?" The other side said, "Send it to us." And we did have a case reported in the papers last week of a man who died and left instructions that he was to be cremated, and his ashes were to be put in a box and dumped on the steps of the Treasury with a note saying, "Now you crooks have got the lot."

I'm going to speak very briefly—a little bit of the past, a little of the present and a little of the future.

A little bit of the past. Privatization—having done by private business what governments used to think they had to do themselves. Countries, which have done privatization, of course have had to spend less on state operations and therefore have had more available for public services. Now the really virtuous ones have cut taxes. We will come to that later.

Why was privatization so important? Why did suddenly, about 20 years ago, governments turned and said, "We have had enough. We are going to get private business to do this." And the answer is in the single word—efficiency. Governments, I don't know whether you know this, were running just about everything in Britain—coal, steel, cars, boats and planes, the state airline, the bus services, water, gas, electricity. It was an absolutely fantastic list of things that government felt it had to not only run but own.

And then something happened. That something was of course Margaret Thatcher but it was more than that. It was a movement, which questioned whether government could do things more efficiently than people seeking legitimate private returns, and efficiency was what we gained. The private sector when compared with the public sector seemed to use fewer people to do the same job. If the state ran something you could guarantee for some reason it would be over-manned, probably because the unions through their pressure over the years had been able to insist that jobs be retained. I remember vividly watching one of our city garbage collection trucks and noticing that it took five people to pick up the bins and drop them in the van. One of them didn't do anything at all. I asked what was his function. He was the man who used to provide hay for the horses when the vehicles were horse-drawn and the unions had insisted that there must be no job losses when mechanization came in.

So in Britain we privatized hundreds of state activities and led a world movement. Indeed it's affected things in

Canada. Some of the things now done by private businesses were once in Canada done by government and I like to believe this worldwide movement continues to ripple in many countries around the world to advantage everywhere. Fundamentally they not only become more efficient, they become more responsive to consumers, they become more innovative. Where they used to cost money in subsidies and support, they start earning money. Where there used to be companies that barely puttered along doing their job, some of them are now world-beaters. They can compete on a global scale.

We made sure when we did this that everybody gained from it. There's no point in letting a few rich businessmen make a lot of money and thinking you are going to succeed politically. We made sure that everybody gained from it—the people who managed the state operations, the workers, the customers, and even the general public were invited to buy the shares—and of course in doing so, and this is the point of telling the story, we turned the whole culture of the country around. It had been an anti-business country and now on the whole it's a pro-business country.

Thirty years ago when asked what they would like to do, the students of Britain replied in a majority—public service—by which they meant civil servants working for the government. That figure is now down to about 8 per cent. Forty-eight per cent, the largest single group, say their highest aspiration in terms of employment is owning and running their own business. That is a big cultural shift in the course of a generation and it bodes well for our future. They are in for a shock when they discover the regulations and taxes they have to face when they try to start their own business, but again we are doing our best. Well that is the past, which brings us to the present.

I would say that globalization, which is sweeping the world, is probably one of the largest forces seen in human history. It is affecting more people, more intimately, more constantly, than almost anything that human beings have ever done. People are joining a worldwide trading community in which everybody is in contact with everybody else. In Adam Smith's day most people in his country and in indeed other countries never went further than the next village. You were widely travelled if you had been to two villages. Now you interact with people from countries and cultures all across the world.

Some facts and figures about it: more people were lifted out of poverty on this planet last year than in any other year in human history and by human history I mean two million years; more people last year than ever before and it will be even more next year. A lot of this of course is happening in China and India but it is happening in other countries too.

More remarkable facts and figures: the average citizen of Canada will in 2050 live at the living standards of today's millionaires; the average citizen of Canada—I'm not talking about funny money where it takes you $50 million to make a phone call—will live at the average living standard of today's millionaires. It would be remarkable given the rate of growth if it didn't happen.

And the third statistic, which again is remarkable when you think about it, is that by 2050 the average citizen of India and China ought to have a living standard roughly like ours today. The average living standard in Canada will be how Chinese and Indians are living in 44 years' time. This is a remarkable thing—globalization—producing effects over the whole of the planet.

What about protectionism? Surely America is trying to protect its industries. Surely Europe is with its common agricultural policy. It is true but less than ever before. There is less protectionism in America and Europe than there was 10 years ago and much less than 20 years ago. There is a tide flowing, a cultural and economic tide, and it is flowing towards greater exchange, more free trade, and greater access to the markets of other countries.

In Europe, and I think in Canada and America, we talk about foreign aid and we give a few crumbs from the rich man's table to poorer countries. Some people say, "Oh 1 per cent isn't enough. It ought to be 2 per cent." The answer is 2 per cent is not going to make any difference at all. We didn't get our wealth by taking it from others and they are not going to get their wealth by getting it from us. We created wealth and that's what Adam Smith realized 200-odd years ago. You can create wealth by trade, by specialization, and if we want to really help poorer countries "buy their stuff." It is the way we got rich. By trade. Every other country in the world that has gone from poor to rich has done so through trade. How many of us have done it through foreign aid? Zero. Trade works. Aid doesn't. Buy their stuff and they'll become rich like we did and in the same way.

What about our jobs? What about jobs in Scotland, Italy, Canada? Faced with cheap imports from China and India, aren't they at risk? Well yes they are. They have always been. What you are going to have to do is to move up-market into value-added goods. You won't be able to compete with Chinese T-shirts, costing 30 cents a time, so you move up into value-added fashion goods—Burberry, Prada, things like this. You move into the upper end of the market. That's been happening in Britain with our textile industry. We used to produce cheap textiles for the world. Now we produce fashion goods for the aspiring people who are newly getting rich in poor countries. British farmers used to produce mass-produced cheap food. We can't compete with what poorer countries do now, so we moved into organic food, quality specialized added-value stuff, that people will pay premium prices for and in that way we keep our edge. But what happens when they start doing this? The economy never stops. You have got to keep moving and we will have to do something else adding even more value at the top. Well that's the present. Past. Present. What about the future?

Take a deep breath and listen to two words: flat tax. This is sweeping in from Eastern Europe and it is going to affect Canada, the United States, Britain and Western Europe. What is it? You introduce a single low flat rate of income tax. No exemptions. No premium rates if you earn more. No graduated tax rates. Just a single rate. What happens now?

The economy grows like nobody's business. It suddenly shoots ahead. You take in far more tax revenues that you have before and the rich end up paying a higher share of the total. Wow. Those are three pretty good arguments. They introduced them into Eastern Europe. It started with Estonia in 1994, which suddenly said, "We are having a flat tax at 26 per cent." I spoke to the Prime Minister and he said, "You see we were new. We didn't realize it was impossible. Nobody had told us." And so they just did it and it worked so well that very quickly Latvia, Lithuania, and others started to follow and there is now about half a dozen countries in the EU that have flat taxes and about another dozen are studying it. I was in Estonia last Sunday by the way. I've seen the transformation of that country from an impoverished ex-communist country to one of the most thriving and booming places. It is a joy to see people doing so well on basically such a simple formula.

How on earth can it work? How can you charge a lower rate and get more money? At the moment there are lots of people who are avoiding taxes. They set up companies in the Cayman Islands, but when you have a flat tax they don't bother. It's worth doing that if you are avoiding a 40-per-cent tax, but it's not if you are avoiding a 20-per-cent tax. They don't put all that investment and time and trouble into tax avoidance, so the tax base enlarges because the money that was previously denied to the taxman is taxed at 20 per cent.

I'm sure tax avoidance doesn't happen in Canada, but in other countries people deal in cash so that they don't have to pay PST or GST and income tax. The plumber will say, "That is $150 but $80 for cash." Obviously it doesn't happen here, but it is known in other countries and you do face certain risks, namely prosecution, imprisonment. But the 20-per-cent tax is not even worth evading. You might as well pay the money; get it over with. The risk is not worth a candle. Why should I work night and day building up the business, and starting up new stuff when the government is going to take most of the money. If it is only taking 20 per cent, then it is worth my while and I will go out and create extra wealth, extra jobs, extra business. The whole economy grows and so the Treasury has access to a larger taxable pool. So even though the rate is lower, the amount they collect is higher. And it has happened in every single country that has done flat tax. Not a single one has taken less revenue as a result. I call that pretty convincing.

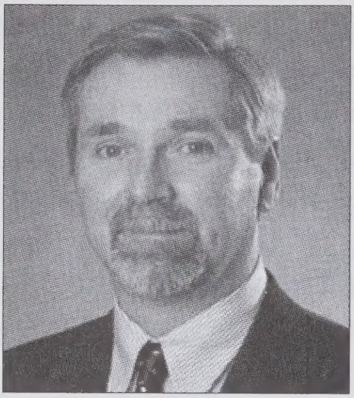
Well, after flat tax has made us all prosperous, what do we do about public services? Now we are looking a little bit further into the future. Can we ever get things right like health and education? We have tried almost everything. Germany has tried social insurance in health and they have got real problems. France uses the principle that you pay upfront and then reclaim it to inhibit demand. In Britain of course we use waiting lists. Yes, it is free, but you have to wait two years. Everybody uses a different system. America has a great health service but unfortunately the poor don't get it.

Can anyone ever get it right? Well, watch closely the moves that are being made. In the United Kingdom the Adam Smith Institute argued that the Bank of England should be made independent. It had been run by politicians for 50 years, but a distinguished economist should be put in charge and then at some distance from the government just left to get on with it. Then people would respect it, accept its decisions and it wouldn't be a political battleground. Good heavens it took a Labour government to do it. But they finally did something we have advocated for 20-odd years and it worked. You see we learned and experiences come when we take a lesson. It worked for the Bank of England. Would it work for the schools? Could we have them run by boards of head teachers appointed by government and then at some distance make all the decisions? Would it work for the health service? Could we have it actually run by respected professionals without the interference of politicians deciding priorities on where they think the votes are? Oh yes, we were looking at that very closely when lo and behold like bloodhounds coming off a particularly juicy piece of meat both the Labour government and the Tory opposition are sniffing at this one.

I think after the flat tax the way of the future lies with the de-politicization of public services. The obvious question is, "Would it work in Canada?" I can't think of any reason why it shouldn't. I can't think of any reason why flat tax wouldn't work in Canada. But then I couldn't think of any reason why globalization shouldn't benefit Canada and 20 years ago I certainly couldn't think of any reason why privatization shouldn't benefit Canada.

So my concluding line is one of total optimism. I was asked at the airport what I was going to talk about. I said, "The economic future of Canada." "Is there one?" said the immigration officer. "Oh, yes," I said. 'Is it good?" "Yes," I said, "it could be if your politicians do the right thing."

The appreciation of the meeting was expressed by Paul Daniel Muller, President, Montreal Economic Institute.



November 24, 2006

Fred Green

President and CEO, Canadian Pacific Railway

BUILDING COMPETITIVENESS: A NEW TRANSPORTATION VISION FOR CANADA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Kamal Hassan, CEO, Applied Location, and Director, The Empire Club of Canada; Shahriyar Nasir, Senior Student, Bloor Collegiate Institute; Reverend Vic Reigel, Christ Church Brampton; Bart J. Mindszenthy, APR, Fellow CPRS, Partner, Mindszenthy & Roberts Corp., and Past President, The Empire Club of Canada; Cliff Mackay, President and CEO, The Railway Association of Canada; Charles Winograd, President and CEO, RBC Capital Markets; The Hon. John Manley, Senior Counsel, McCarthy Tétrault LLP, and Former Deputy Prime Minister and Minister of Finance, Government of Canada; Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada; Mike Lambert, CFO, Canadian Pacific Railway; Ron Tepper, President and CEO, Consolidated Fastfrate Inc.; Dan Fortin, President, IBM Canada Ltd.; and Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada.

Introduction by John Niles

Past Presidents, Directors, Rev. Reigel, honoured guests and members of the Empire Club of Canada:

It was in 1924 Sir Edward Beatty, the first Canadian-born president of the CPR who himself was involved in building the Royal York, spoke to the Empire Club of Canada for the second time during a time of disagreement and disquiet with the city and the CPR. He quoted D'Arcy McGee, a man born in Ireland who came to Canada and became an ardent prophet of Canada's greatness and in 1860 addressed the Quebec House of Assembly in a speech notable for the often-quoted simile:

"I see in the not remote distance one great nationality, bound like the shield of Achilles by the blue rim of ocean."

Two years later in the same assembly he made another speech in which he said: "All we have to do is, each for himself, to keep down dissensions which can only weaken, impoverish and keep back the country; each for himself to do all he can to increase its wealth, its strength and its reputation; each for himself, you and you, gentlemen and all of us, to welcome every talent, to hail every invention, to cherish every gem of art, to foster every gleam of authorship, to honour every acquirement and every natural gift, to lift ourselves to the level of our destinies, to rise above all low limitations and narrow circumscriptions, to cultivate that true catholicity of spirit which embraces all creeds, all classes and all races, in order to make of our boundless province, so rich in known and unknown resources, a great new Northern nation."

He spoke with such eloquence to later bring home the point that despite the problems that present themselves in life, the CPR was and will always be about helping Canadians "to lift ourselves to the level of our destinies."

It is now my pleasure to introduce our guest speaker today—Fred Green, President and Chief Executive Officer of Canadian Pacific Railway.

Fred's career with CPR spans almost 30 years and covers all aspects of the railway's business.

As a result, Fred has a unique insight into the North American transportation sector, wide knowledge of Canadian industry, and a deep appreciation of the essential role transportation plays in driving Canada's competitiveness and forging our links with our international trading partners.

Born in Newfoundland and raised in Montreal, Fred joined CPR in Montreal in 1978 after graduating from Concordia University's commerce program.

Since then, his career has taken him across Canada—from the Maritimes to Ontario, the Prairies to the Pacific Coast, where he served in senior management positions in railway operations, sales and marketing, merchandise, and yield and asset performance.

He managed CPR's reorganization in 1996, overseeing the move of the company's head office team from Montreal to Calgary, one of the largest head office moves in Canadian history.

Fred was promoted to Executive Vice-President and Chief Operating Officer in 2004, and in May this year he was appointed to the top job at CPR—a landmark year in which the company is celebrating the 125th birthday of its incorporation.

Fred is CPR's 16th president, a post that has been held by some of the most famous names in the history of Canadian enterprise.

It is also worth noting that Fred is only the third CPR president to address the Empire Club. Sir Edward Beatty spoke to the Club twice—in 1919 and again in 1924; and Bob Emerson spoke in 1966.

In his 1919 speech, Sir Edward Beatty said: "Intelligent and serious discussion of all phases of transportation activity in connection with Canada's development are essential."

This was true then, and it is still true today.

Ladies and gentlemen, please welcome Fred Green.

Fred Green

Thank you very much, Dr. Niles, and good afternoon everyone. Thanks also to the Empire Club for inviting me to speak today. I'm honoured that you've given me this opportunity.

Befitting the president of one of North America's leading railways, I arrived in Toronto yesterday by train. CPR freight train, that is! And I'll tell you more about my journey in a moment.

But as I travelled here I reflected on the fact that it's been 40 years since a president of CPR has spoken to the Empire Club and I was thinking about why that is.

I wondered:

Is it because no one spends any time thinking about railways unless they are stopped at a level crossing or are awakened from a deep sleep by a train whistle—hopefully not at the same time!

Is it because the topic of freight transportation lacks cachet or controversy?

Or perhaps people think that our national transportation system isn't facing any major challenges and the status quo will serve us well for many decades to come.

If the reason for CPR's prolonged absence from the Empire Club podium is the former, it hurts, but I can live with it. But if it's the latter, that hurts too, because on many fronts it's simply not the case that the status quo is acceptable and if left unchanged it will hurt us all.

Canada's transportation system and gateways—our network of ports, railways, highways, bridges, seaways, and border crossings—all have a major impact on our nation's economy and our nation's productivity and competitiveness.

This can be a very positive impact—enabling Canada's economy. It can also be a negative impact—acting like a governor on Canada's economic engine.

This network may be "behind the scenes" for most Canadians, but how efficiently it is working and what happens to it in the future affects the lives of all Canadians and, therefore, it should be top of mind for all of us.

My railway journey over the last couple of days brought me from Chicago, crossing the border at Windsor, and then to Toronto.

Windsor is the busiest international trade gateway in North America. It is Canada's single largest border crossing for trade and traffic with the United States. Today, more than 25 per cent of all Canada-U.S. trade crosses the border at Windsor. The goods that annually cross the Detroit River by bridges and tunnels are valued in the hundreds of billions of dollars.

Seeing the Windsor Gateway firsthand is a powerful reminder of why efficient and secure transportation networks and gateways are vital to Canada's economic productivity and competitiveness.

My company is keenly aware of two critical facts:

- Forty-seven per cent of the bulk, merchandise and intermodal traffic we carry will pass through a port; and
- Another 27 per cent will traverse at least one border crossing.

If we can agree that all our trade gateways are critical to our nation's competitiveness and prosperity—and I'm sure we can—we must also acknowledge that we have many improvements to make—and quickly.

Just last month, B.C. Premier Gordon Campbell spoke to the Empire Club about the Asia-Pacific Gateway and Corridor initiative. CPR fully supports this initiative and we plan to be a leading player in making it a reality.

We at CPR understand the importance of Asian trade. We landed our first Asian cargo at Vancouver in 1886. Now, 120 years later, we are moving ever-growing volumes of consumer goods arriving in containers from China and other Asia-Pacific countries, and transporting natural resources to tidewater to feed the offshore markets that are hungry for Canada's coal, potash, sulphur and grain.

The opportunities for this country are huge—but let there be no doubt Canadians need to create the most modern and efficient gateway on the North American Pacific coast if we are to realize our economic potential.

The Asia-Pacific Gateway and Corridor initiative is a good start, but it is only part of the picture.

We need to broaden our perspective. We need initiatives that address all of Canada's transportation system and gateways because this infrastructure is the lifeblood of our economy. And given this—we need to dramatically speed our "time to market" for the initiatives we choose to pursue.

I've spent my entire career in the transportation industry and for the last decade Canadians have been talking, and I emphasize talking, about the need to upscale our transportation and border infrastructure to meet the demands of a bright future.

That future has already arrived so how have we done getting ready for it? Is our infrastructure as efficient and secure as it needs to be? While we've made some progress, which might at best earn barely a passing grade, there clearly remains much room for improvement.

Does our collective infrastructure have the quality and capacity to ensure we can capitalize on the economic growth opportunities we see coming in the next five, 10 or 20 years?

No, I don't believe it does. Far more important than my opinion is what I hear from some of our Asian customers. They are wondering if Canada is really open for business.

We are experiencing a capacity crunch at many points in the system and there are many reasons for it—both past and present.

For example, North American railways now have considerably less track miles than was the case in the 1950s.

Why? In the 1950s nearly half of all railway capacity was for passenger service. During the late 1950s and through the '60s, the new publicly funded highway system put short haul, inter-city passenger rail service in decline. At the same time, jet travel put long-distance passenger service in decline.

You might not know this, but railroading is the world's most capital-intensive business—17 to 18 per cent of every revenue dollar is reinvested every year.

And so, when passenger volumes declined and surplus capacity was created—all railways did the same thing—we picked up the surplus track and used it to reduce our annual reinvestment requirements on other parts of our network.

It was the right thing to do but it did take freight handling capacity out of the North American transportation system.

I'm happy to say that the railway environment has changed—and very quickly. In response to rapidly rising demand for their services, North American railways have invested tens of billions of dollars to replace worn out tracks but—additionally—we've also invested to increase capacity. But even this huge investment has allowed us to increase capacity only incrementally.

So, what else has contributed to Canada's capacity crunch? I refer to it—perhaps not charitably—as "regulatory gridlock." Appointed bodies can take five years or more to discuss, consult and conduct feasibility studies only to be in a position to announce an intention to eventually do something!

I have to ask, "Can we as a nation afford this?"

In the early 1880s, people imagined it would take 20 years to build the CPR. Sir William Van Horne himself described the wilderness on the north shore of Lake Superior as "two hundred miles of engineering impossibilities."

And yet CPR built the railway in just four years. Four years!

It's taken the Port of Vancouver more than four years to get provincial regulatory approval to build Berth 3 at Deltaport and thankfully, the Feds have just three weeks ago granted their approval.

We all know the Port of Vancouver is our principal gateway to the dynamic Asian economies and that we need more capacity now, yet we haven't begun construction. And, on top of this, demand exists for another container terminal. Who knows when this may be approved?

And the Bi-National Committee, charged with the responsibility of determining the solution to the Detroit-Windsor border-crossing crisis, has been at it for at least four years.

We're told to expect their recommendation sometime next year. This will lead to a five-year design, permitting and construction process.

We're told to expect new capacity to be in place by 2013 based on the simplifying assumption the Bi-National's recommendation is fully endorsed by the three levels of government on each side of the international border.

Perhaps this will happen; we can all reach our own conclusions.

Remember this gateway supports and enables 25 per cent of the trade between Canada and the United States. Is this really as fast as we can or should go given the high stakes?

Can we as a nation afford regulatory gridlock?

Surely there is an opportunity here for us to simplify and streamline our regulatory processes so that we speed decision making and implementation while at the same time adequately addressing the interests of all stakeholders.

Clearly, when it comes to improving and expanding Canada's transportation system and trade gateways, the time for talk is over. It's time for action.

Action is required now because Canada's market share is not a given. Ports on our Atlantic and Pacific coasts face stiff and growing competition for import traffic from ports in the United States and Mexico.

These U.S. and Mexican ports are pursuing the same European and Asian business that Canada is, but a simpler regulatory and tax environment is giving them an advantage.

Additionally, in the United States, the Senate is now considering a bipartisan bill that would offer tax incentives to expand the nation's freight railway capacity. Specifically, they are proposing a 25-per-cent tax credit for any business investing in new rail track, intermodal facilities, rail yards, locomotives or other rail infrastructure expansion projects.

Railroads, ports, shippers, trucking companies and other transportation-related businesses would be eligible for the credit.

This sort of initiative will incent, encourage and allow our NAFTA partners to invest more quickly and more heavily in infrastructure to capture what could be Canada's market share.

Action is required now to keep Canada competitive.

I was struck by a recent quote about improving Canada's global competitiveness that came from the World Economic Forum. It was suggested that instead of just "letting stuff happen," Canada should be making things happen.

Let me take a few minutes to provide some details on where my company is making things happen—specifically, by encouraging collaboration within the transportation sector and achieving efficiencies at our border with the United States.

I strongly believe that enhanced collaboration within our transportation sector offers Canada great potential to improve its productivity and competitiveness.

We need to view our ports, border crossings, railways, highways, seaways, and terminals for containers, automobiles and bulk commodities not as a collection of unconnected parts, but as the constituent parts of the same, interdependent transportation supply chain.

For the good of Canadian business and the Canadian economy, we must ensure that the whole transportation supply chain is healthy, robust, modern, integrated and working at maximum efficiency.

A single weak link in this chain is a problem for all of us. When it comes to Canada's competitive fight for international markets, we're all in this together.

In 2004, the whole North American transportation industry was presented with an interesting new challenge. That was the year that surging North American economies and international trade started to put strains on the capacity of our continent's surface transportation infrastructure and marine gateways.

CPR didn't wait around for "stuff" to happen. We took action—through consultation, collaboration and investment.

CPR responded to this new challenge by:

- expanding our track infrastructure;
- buying new locomotives and intermodal rail cars; and
- collaborating with our competitors and other players in the transportation supply chain to improve efficiencies.

Before expanding our rail network, we consulted with our customers and governments.

We met with shippers—of bulk commodities like coal and grain, of intermodal containers and of merchandise freight, such as forest, industrial, consumer and automotive products—to fully understand the structural changes happening in these industries and what they saw as their long-term demand requirements.

We also talked with governments at all three levels and obtained federal government assurances that we could count on regulatory stability—a necessary pre-condition to major investment given the unpredictability of regulation over the preceding decades.

As a result of our successful discussions, in 2005, we started and completed a $180-million expansion of our Western Corridor between the Prairies and Vancouver, laying new sections of double track and building and extending sidings.

By doing so, we improved fluidity on this strategic corridor and increased rail capacity by between 13 and 15 per cent.

Importantly, we also recognized that non-capital solutions could play an important role in delivering the needed capacity—quickly.

That's why we also sought out opportunities for greater operational co-operation with our rail competitors and other players in the supply chain.

Over the past several years, CPR has formed co-operation arrangements with Canadian and U.S. railroads covering the full range of rail operations in central

Canada, western Canada, and the northeastern and midwestern United States.

For example, CPR and CN have numerous co-production arrangements in the interior and Lower Mainland of British Columbia that are making the flow of freight to and from the Vancouver area ports much more efficient—and providing the needed capacity for economic growth.

CPR and our co-production partners remain fierce competitors in the transportation marketplace, proving that even competitors can find room to co-operate to implement "win-win" arrangements for a broader good—in this case greater capacity, smoother trade flows and improved service for our customers.

And our vision extends to other players in the supply chain.

Actions like these will help build Canada's productivity and competitiveness, but there's much more work in this area that can and will be done.

My second point is that for Canada to compete effectively on the international stage, we must ensure that the movement of goods between Canada and the United States is seamless and fluid. This should be obvious. The United States is our number-one trading partner.

Many of the goods that flow through our ports in Vancouver, Montreal and elsewhere either originate from or are destined for the United States. This means—of course—that we have to create and seize every opportunity to improve efficiencies at the Canada-U.S. border. This has become more difficult since the events of 9/11—and some believe the dual objectives of enhanced security and the free flow of goods in support of economic growth are at odds and can never be reconciled.

But I believe creating uniquely secure transportation corridors can be a source of competitive advantage for Canada's trade. I am pleased to say that both federal governments and my company have made some significant progress already.

I can point to a very good example right here in Ontario. Since 2001, CPR and the Government of Canada jointly invested to secure our railway's 7.5-kilometre rail corridor through Windsor to the U.S. border, installing a new state-of-the-art surveillance system along our corridor.

This work paved the way for the U.S. government to install their sophisticated Vehicle and Cargo Inspection System on the Canadian side of our Detroit Tunnel. The system scans contents of freight cars and containers for threats, including radioactive materials, weapons and explosives. This is done without stopping our trains—compromising neither the quality of surveillance nor the capacity of this critical transportation artery.

This is a simple example, but it does illustrate that "win/win" solutions are possible if issues are approached with both creativity and a sense of urgency.

Whether it's the Asia-Pacific Gateway and Corridor initiative, harmonization of actions at our gateways with the United States, or collaboration within the transportation sector, we are past the point of discussion and consultation. It is time to turn this vision of an efficient, integrated transportation and trade gateway system into a reality.

Canada wants to be competitive but many countries aspire to be competitive. Good companies, good people and good governments understand the need to be competitive. Great companies, great people and great governments have higher aspirations. They want to have a competitive advantage. That's what I want for my company. That should be our aspiration for Canada.

We can achieve our vision of an efficient, integrated transportation and trade gateway system by taking action through leadership, planning and investment.

We can achieve our vision with collaboration among all participants in the supply chain, collaboration that would see us co-ordinating our investments for the greater good of the whole supply chain and the Canadian economy.

And we can achieve our vision through collaboration between governments and the private sector, where governments would act as the catalyst and the private sector would plan robustly and implement—quickly!

The 125th anniversary of CPR's incorporation this year is a reminder of what we have achieved as a nation through collaboration between government and the private sector.

CPR was born because the government of the day had a vision to unite the country. However, the government realized it couldn't get there on its own. The government needed the private sector; and CPR's founders had a vision to build a railway that could be a viable business into the future.

It is hard to imagine CPR would have ever been built if Sir John A. Macdonald had been working on the next two-year plan, or if CPR's founders were thinking no further ahead than the next financial quarter.

They had to make some big bets on the country.

They needed bold vision.

And they needed to collaborate to realize that vision.

There have been other bold visions in our history—the Ontario canal systems; the St. Lawrence Seaway; the Trans-Canada Highway.

The Canada we live in today was built on bold visions.

We were, we are and we will be a trading nation.

I would like to see us again have the boldness to say, "This is how we want our port and transportation infrastructure to be 10, 25, 50 years from now"—and then have the conviction to follow through—with urgency!

I hope you agree with me that the time to make it happen is now.

Ladies and gentlemen, thank you very much for your kind attention today.

The appreciation of the meeting was expressed by Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada.

Rev. Canon Kimberley Beard, BA, BEd, MDiv, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada, and The Rt. Hon. Edward N. Lowassa, Prime Minister, United Republic of Tanzania.

November 30, 2006

The Rt. Hon. Edward N. Lowassa

Prime Minister, United Republic of Tanzania

INVESTMENT OPPORTUNITIES IN TANZANIA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada; Chloe Castonguay, Senior Student, North Toronto Collegiate Institute; Rev. Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Dr. Isa Odidi, President and CEO, IntelliPharmaCeutics Corp., and Board Member, Canadian Council on Africa (CCAfrica); His Excellency Mr. Andrew McAlister, High Commissioner of Canada to United Republic of Tanzania; Albert Sweetnam, Senior Vice-President and General Manager Infrastructure, SNC-Lavalin; His Excellency Mr. Ombeni Yohana Sefue, High Commissioner of the United Republic of Tanzania to Canada; Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada; Johann Olav Koss, President and CEO, Right to Play; Nola Kianza, Vice-President, Ontario, Canadian Council on Africa (CCAfrica); and Robert Franklin, Director, Barrick Gold Corporation.

Introduction by John Niles

Past Presidents, Directors, Reverend Beard, honoured guests, and members of the Empire Club of Canada:

The history of Tanzania is filled with stories of struggle and strength, victory and peace.

It is a story of the very beginnings of humanity. For it is Tanzania that is believed to be the cradle of humankind based on the discovery in 1959 in the Olduvai Gorge by Dr. Louis Leakey of the remains of Homo habilis or handy man—estimated to be 1.75 million years old.

The history of Tanzania is therefore a long one and varied one—filled with Arab traders in the 700s, Portuguese explorers in the 15–1700s and later Germans in the 1900s.

After World War I, it was administered by Britain under a League of Nations mandate and later as a UN trust territory.

Tanganyika became independent on Dec. 9, 1961, and Zanzibar on Dec. 10, 1963. On April 26, 1964, the two nations merged into the United Republic of Tanganyika and Zanzibar. The name was changed to Tanzania six months later.

An invasion by Ugandan troops in Nov. 1978 was followed by a counterattack in Jan. 1979, in which 5,000 Tanzanian troops were joined by 3,000 Ugandan exiles opposed to President Idi Amin. Within a month, full-scale war developed. Tanzanian president Julius Nyerere kept troops in Uganda in open support of former Ugandan president Milton Obote until the national elections in Dec. 1980.

In Nov. 1985, Nyerere stepped down as president. Ali Hassan Mwinyi, his vice-president, succeeded him. Running unopposed, Mwinyi was elected president in October. Shortly thereafter plans were announced to study the benefits of instituting a multiparty democracy, and in Oct. 1995 the country's first multiparty elections since independence took place.

On Aug. 7, 1998, the U.S. embassy in Dar es Salaam was bombed by terrorists and 10 people were killed. The same day an even more devastating explosion destroyed the U.S. embassy in neighbouring Kenya.

During President Benjamin William Mkapa's 10 years in office (1995–2005) he sought to increase economic productivity while dealing with serious pollution problems and deforestation. With more than one million people infected with HIV, AIDS care and prevention have been major public health issues.

In 2005 presidential elections were held and then foreign minister Jakaya Kikwete of the (CCM) Party won with 80 per cent of the vote.

One year later in early 2006, Edward Lowassa was appointed Prime Minister of Tanzania. He was previously Minister of Water and Livestock, Minister of Human Settlement Development and Minister of Judiciary and Parliamentary Affairs.

Prime Minister Lowassa represents the riding of Monduli (Arusha region in northern Tanzania) in the Tanzanian Parliament.

President Kikwete has delegated the day-to-day responsibility of running the government to Prime Minister Lowassa, including monitoring the performance of Cabinet ministers. In this context, the Prime Minister has an extremely important and powerful role to fulfill. Will you please greet with me the Prime Minister of Tanzania.

As I'm sure you know Mr. Prime Minister, there is an old saying from Tanzania—specifically Zanzibar—that says, "When two elephants tussle, only the grass suffers." So to keep from causing any further undue suffering, ladies and gentleman, please welcome with me the Prime Minister of Tanzania.

Edward Lowassa

Chairperson, members of the business community, distinguished guests, ladies and gentlemen, I should like to begin by expressing my deep appreciation to the Canadian government, the Canada Council in Africa and the Empire Club for their support and the arrangements that they have made to make this business seminar on Tanzania possible and from what I see already successful as well.

I also wish to thank most sincerely all of you who are present here today for responding positively to our invitation. I was in Calgary two days ago where I delivered a keynote address at an international conference on natural resources and African economic development and the role of Canada in the 21st century.

Once again I thank the Canada Council on Africa first for organizing the timely conference and secondly for inviting my president, His Excellency Jakaya Mrisho Kikwete. Although circumstances conspired to keep him in Tanzania, the fact that he sent me to represent him speaks volumes about his admiration for this great country and its people. His gratitude for the positive relationship between our two countries and the hopes that he cherishes for a more robust partnership with the private sector in both countries plays a key role and a permanent role.

In Calgary I made a passionate appeal to governments in rich countries like Canada, to business and collateral governments, to work together to ensure that Africa's abundant natural resources not only contribute to their country's economic development but also that such rich resources should produce blessings not curses. The negotiations with the mining companies to review the contracts have delivered positive results. We are glad that Barrick Gold Tanzania and others have agreed to co-operate with the government to ensure that the mining sector is beneficial to both Tanzania and their companies. This a good situation in Tanzania as we continue to see increasing involvement of foreign companies in the exploration and ultimately the development of our abundant natural resources and natural gas reserves. For it is readily acknowledged that Tanzania is a highly prospective geological setting and geological formations extend over 800,000 square kilometres. Large areas of Tanzania contain geological formations known to be prolific in gold and base metals in other places such as Canada, Australia and East Africa. There are also rock formations similar to the geological development holding gold deposits in South America and West Africa. No wonder there's been a large increase in prospecting activities by companies, including several Canadian companies, in Tanzania.

Tanzania is already the third-largest producer of gold in Africa after South Africa and Ghana. Our aim is to become number one. We are number one in tanzanite and we also have minerals that can be developed on a commercial scale such as ruby, garnet, sapphire, copper, cobalt, tin, and so on. But Tanzania represents huge opportunities for investors in sectors other than mining—oil and gas. With the abundant wealth of unique tourism attractions including Mount Kilimanjaro, the Serengeti, the Selous, beaches and many others, the opportunities for investors and for tourists are enormous.

This morning the new director of the Tanzania Investment Centre made a presentation on investment opportunities in Tanzania. His presentation comprehensively highlighted investment opportunities in Tanzania by sectors. I appeal to those of you who were not present at the seminar this morning to get a copy of this presentation. But I want to underline some of the points he made in trying to convince you that Tanzania is the best choice as your next investment decision.

With regard to agriculture, we are aware of Canada's position as one of the greatest agricultural producers in the world. Your experience in commercial farming can be shared with Tanzania, which has more than 44 million hectares of arable land of which only a fraction has been fully developed so far. Tanzania provides ideal water, soil and climate conditions for a complete range of agricultural products. After a successful privatization program we have seen impressive progress in local and foreign private commercial scale farming in sisal, cotton and sugar cane.

Additionally Tanzania now targets crops that give us competitive advantage in the region. Some of the temperate highlands are ideal for European flowers and vegetables and tropical lowland zones are ideal for warm climate fruits and flowers. We are already establishing flower farms in the Kilimanjaro area and global demand for horticulture products has been growing in excess of 8 per cent annually. We can join hands to make profitable business in this area.

The government is investing in the kind of infrastructure that will facilitate investment in this sector. For example, we are constructing a new international airport in the southern part of Tanzania. When it opens later in 2007, the airport will unlock this part of Tanzania for investments in horticulture for the South African, Middle East and European markets.

We would also like to pursue power generation through bio-fuels. We have deposits of gold in the southern part of our country. It has been confirmed that we have 200 million metric tons of gold deposits. Currently there is no gold mine in the area but several studies have established the technical and economic viability of a mine with a working capacity of 1.5 million metric tons a year in this area. Furthermore, studies have also established the viability of a thermal power plant at a site that can supply 400 megawatts for the next 20 years.

We also want to invest in the exploitation of our abundant natural resources, natural gas among other things, for power generation. Currently, a Canadian company, Artumas Group, is developing energy products based on gas from Mnazi Bay. The project includes a gas-fired power plant and a regular transmission and distribution system. Many companies are also exploring for oil. With the continued rise in the global demand for fuel and the consequent upward pressure in oil prices, bio-fuels are increasingly becoming alternative fuel sources. In Tanzania with plenty of land for growing the relevant crops we are therefore keen to see foreign investments in crops for ethanol and welcome interested partners.

Chairperson, I could go on and on explaining Tanzania's attractions for investment in many more sectors from financial services to infrastructure, to real estate, to information and communication technology. After a wonderful lunch I will continue with a dialogue that will hopefully result in larger and more investment in Tanzania.

I want to encourage such a dialogue because I know that regardless of the reforms we have undertaken to create a conducive environment for private investment, we do not have the means to turn Tanzania into an investor's paradise overnight. But through dialogue we can get to know each other better to appreciate the efforts and circumstances of each side and to enrich each other with positive ideas and proposals to expand commercial relations between our two countries.

My friends, ladies and gentlemen, it is now over 15 years since my country embarked on major economic reforms marking a clear shift towards private-sector-led development and market-oriented economic management. Since then we have taken concerted actions aimed at creating an environment that will attract new investments and retain existing ones in Tanzania. We realize that important though they are, peace, political stability and unique social harmony, which my country has been engaged in since attaining independence in 1961, are in themselves not enough to attract investors. And abundant natural resources in the mining sector are also not enough. Other equally important factors include the following:

First, a social contract ensuring constant stability and market-based exchange and trade;

Second, an internationally competitive, transparent, predictable and stable legal framework;

Third, a development infrastructure;

And fourthly, an efficient and effective administrative machinery.

These reforms have been made possible and catalyzed by the prevalence of peace, stability and security during our 45 years of independence. Our commitment, our resolve and our success have been widely recognized. For instance, the World Bank report entitled "Doing Business in 2007—How to Reform" has placed Tanzania among the top-10 reformers in the world and second in Africa after Ghana.

Let me assure you that we have effected most of the required changes for a conducive investment climate in Tanzania as it is clear from the brochures, which were available to you, and the presentations and interactions that have been taking place here today. I ask you to have an open mind and to engage with the ministers and business people I have with me here today. All of this shows our government's resolve to keep on improving the investment climate through a constructive dialogue with the private sector in order to maintain a competitive edge in attracting private investments.

Chairperson, in conclusion let me answer the question why I think you should consider seriously investing in Tanzania.

First and foremost is the long experience of political and economic stability as well as peace and security that Tanzania continues to enjoy.

Secondly, market access. Tanzania has access to a market of almost 250 million people.

Thirdly, our unique geographic position makes us the unchallenged gateway to regular and international markets for the six land-locked countries of Rwanda, Burundi, Uganda, Zambia, Malawi, and Eastern Congo.

Fourthly, as stated earlier, Tanzania is richly endowed with natural resources ranging from minerals, arable land, forestry, sun, sea and sand and other tourist attractions to name but a few.

Fifth, Tanzania has attained all the major macroeconomic fundamentals including low inflation.

The political commitment to stay the course and to create a positive environment for private investment remains firm. Chairperson, ladies and gentlemen, I thank you for your kind attention and I look forward to meeting you in Tanzania.

Thank you so much.

The appreciation of the meeting was expressed by Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada.

December 14, 2006

The Hon. James K. Bartleman

Lieutenant-Governor of Ontario

ANNUAL CHRISTMAS LUNCHEON SEASON'S GREETINGS FROM THE HON. JAMES K. BARTLEMAN, LIEUTENANT-GOVERNOR OF ONTARIO

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

David Edmison, Past President, The Empire Club of Canada, and Past Chair, The Empire Club Foundation; Rick Tobias, The Yonge Street Mission, and our Empire Club of Canada Community Service Award Winner; Gwen Harvey, Governor of the Royal Ontario Museum; Paul Mohammed, RSM, COPS, Cadet; Loretta Foster, The Military Family Resource Centre; Anita Hofstatter, Volunteer, The Sunnybrook Veterans Wing; Rudyard Griffith, The Dominion Institute; Major William A. Duncan, Veteran, and Honorary Director, The Empire Club of Canada; The Rt. Rev. Colin R. Johnson, Bishop of The Anglican Diocese of Toronto, and Honorary Chaplain, The Empire Club of Canada; Gareth Seltzer, Past President, The Empire Club of Canada; Erin Adams, Dominion of Canada General Insurance; LCdr Albert Wong, Canadian Forces; Cpl Denver Williams, Canadian Forces; Stanley Lambe, The Yonge Street Mission; Lisa Cardile, The

Yonge Street Mission; and Abdul Chaudhry, Supporter of The Canadian Forces, and Father of Ali Chaudhry.

Introduction by John Niles

It is now my pleasure to introduce the 27th Lieutenant-Governor of Ontario, the Honourable James K. Bartleman. His Honour has worked non-stop since his appointment and particularly focused on eliminating the stigma of mental illness, the fight against racism and encouraging all youth, especially Aboriginal young people. His book program raised over 850,000 good used books for First Nations schools and Friendship Centres and in the past year he has expanded his literacy camps program to 28 fly-in communities. I can only guess that His Honour found the time at nights between midnight and 6 a.m. to write three outstanding books, including 2005's "Rollercoaster: My Hectic Years as Jean Chrétien's Diplomatic Advisor 1994–1998." This will likely be His Honours' last address to the club as Lieutenant-Governor of Ontario, but I hope that we continue to hear from him as author and advocate. Please welcome the Lieutenant-Governor of Ontario, the Honourable James K. Bartleman.

James Bartleman

Thank you very much. Your Grace, Dr. Niles, Mr. Chaudhry, distinguished guests, ladies and gentlemen, I'm really happy to join you once again for this year's Empire Club Christmas luncheon. It is my fifth luncheon and it is really a great way to begin the holiday season because here on this occasion we celebrate heroes and organizations that do so much for our society as exemplified by the people who have just been introduced at the head table and others who are in the room.

This year the club has chosen to highlight the service, past and present, of Canada's military men and women as well as one of Toronto's most outstanding charity organizations. I applaud my fellow head table guest Rudyard Griffiths of the Dominion Institute for spearheading the successful drive for a state funeral for our last World War One veteran. It is the very least we can do to show our respect and gratitude for the sacrifices of all veterans.

And it is our privilege for all of us to break bread today with Major Bill Duncan, a veteran of the Second World War, who has just been introduced, 91 years young, Ms. Loretta Foster of the Military Family Resource Centre, Corporal Denver Williams and Lieutenant Commander Albert Wong and Mr. Abdul Chaudhry, whose son Ali is serving with the Canadian Forces in Afghanistan. I think we should give them another round of applause.

It's really a poignant occasion. I can imagine the Empire Club back during the Second World War having similar luncheons to honour soldiers coming back from the front. Just before the lunch I met a number of the wounded veterans—such young men—and think of the sacrifices they have made and how important it is that we continue to honour them and remember to pay attention to them for what they are doing for our country. It is really so important and I don't think we really appreciate that until we shake their hands and see what they are still going through—physiotherapy and medical treatment. It is really a fantastic sacrifice for all of us.

Here at home the war on poverty and homelessness continues. I'm glad to be associated at the head table with Rick Tobias, Executive Director since 1989 of the Yonge Street Mission, and other members of the Yonge Street Mission who are here. Every year we honour people at Christmas who are thinking of others and I think what makes this job so wonderful is that I have an opportunity to see how Ontarians step up to help other Ontarians.

I have been focusing also on campaigns to help the disadvantaged, both in terms of anti-racism and mental health, and more recently I have given a lot of attention to the issue of the plight of young Aboriginal children in the north of the province. When you move north of the Trans-Canada Highway there is a land, which is almost entirely inhabited by Native people. You cross the border from the first world into the third world where about 75 per cent of the people are unemployed, where there is no work. People live on welfare and the children have no hope. They have no hope because they have no prospect of jobs. They have no hope because most of them, many of them, have never learned to read and write. They see no future for themselves in Canada or in their communities and as a result they have been killing themselves at an epidemic rate for years and years; 10 times the rate that you would find among any other group of young people in the country. It is really heartbreaking to see these 12 to 14-year-old boys and girls just walking around with pieces of rope in their pocket and when things get too bad they just hang themselves. What I have been doing is trying to introduce to the north of the province the same intervention on the part of civil society that we have here in the South.

Governments do what governments do but the real human touch comes from organizations like the Yonge Street Mission and the Good Shepherd, organizations that show a human face. The human face like the young lady here who receives so many people who are down on their luck and who bring a sense of compassion into the lives of the people up there.

North of the Trans-Canada Highway, civil society has not been involved at all and to a great extent it is because people haven't known how to get involved and how to connect with the Native people in that area. But I have shown that there is a tremendous amount of compassion in our society; a tremendous amount of desire to reach out and break down barriers. The first way of reaching out was to provide good used books so that the children would at least have books to read so that they could learn to read. How can you learn to read if you don't have books in a school library?

We established the libraries. To break down the barriers we twinned 100 Native schools with 100 non-Native schools in the province and all the schools in Nunavik with schools in Toronto. With that we were able to show the kids that everybody is a human being under their skin. And also the teachers were able to communicate with each other.

I'm going tomorrow to North Caribou Lake First Nation where they've had some really tough times in the past two months. I found out about the situation because the twin school in Toronto told me that the teachers up there told them how difficult things were. So I'm taking Santa Claus up. This time Santa Claus has delegated his responsibilities to a particularly well-endowed member of the Ontario Provincial Police who will be hiding his gun somewhere else and will be coming up. We have bags and bags of books and mandarins and toys and things, which we are taking up there to show that people in Toronto care. We are going to fly into that community which is about 600 kilometres north of Thunder Bay just to show them that we care about them and that they should have hope.

Last summer I launched 36 literacy camps in 28 communities with $6 million from teachers' organizations, universities, trade unions, DeBoers, plus help from the Ontario government. These camps will be running for five years. They are now endowed and now I am organizing a young readers' program run by the southern Ontario library service. I put together about a million dollars from ordinary people, citizens stepping up, teachers in particular, and all the children in these fly-in communities will receive brand new books and a children's magazine for Aboriginal kids. That is now funded for a five-year period as well. And so we are able to show that civil society can work in building bridges with the Native communities and help where needed in a non-political way.

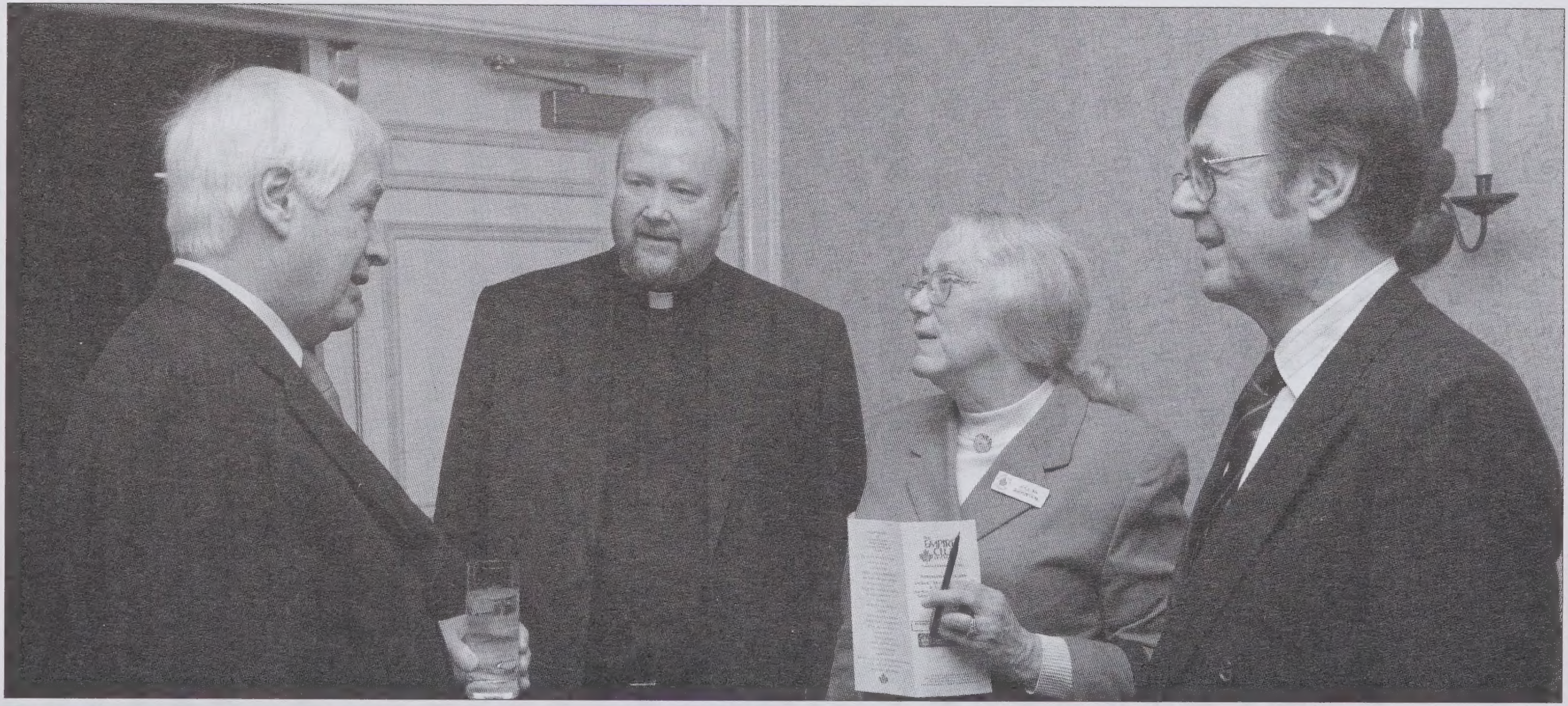
And now I'm announcing we are going to launch another massive book drive for the month of January. If you have any children's books or young adult books or children's magazines in particular or the Beaver or the Canadian Geographic, drop them off at your local Ontario provincial police detachment any time in January.

Commissioner Fantino has sent out instructions to all the Ontario provincial police detachments to receive these books. The military has offered the use of a hangar at Downsview and will be going around picking up books from the various police stations. I'm going to be asking retired teachers to sort books and we will be restocking libraries and bringing books into isolated communities of Native people in Nunavik, Northwest Territories, Yukon, Northern Quebec and other areas, as well as showing that Canadians care about the well-being of Native children. That is a message of hope and compassion at this time of the year.

So thank you for inviting me to address you today. In the name of the Queen, I bring you season's greetings and every good wish for the New Year. Thank you very much.

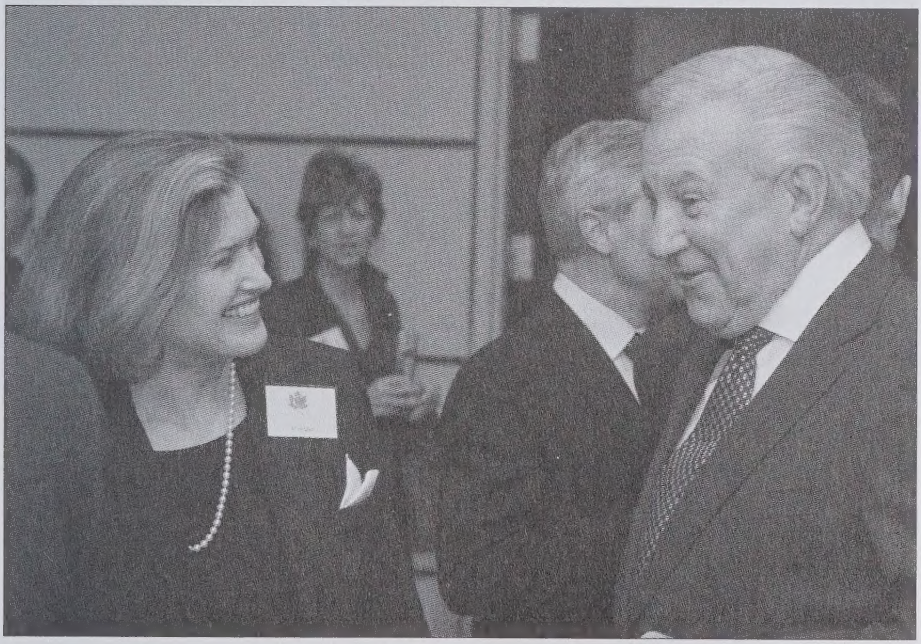
The Empire Club was then entertained by the Regent Park School of Music.

The appreciation of the meeting was expressed by Gareth Seltzer, Past President, The Empire Club of Canada.



The Hon. James K. Bartleman, Lieutenant-Governor of Ontario, Rev. Canon Kimberley Beard, BA, BEd, MDiv, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada, Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, and Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook.

David Goodwin, Member, The Empire Club of Canada, and Gareth S. Seltzer, President, TWS Canada Group, and Past President, The Empire Club of Canada.



Elyse Allan, President and CEO, GE Canada, and The Hon. Ernie Eves, Ontario's Twenty-Third Premier, and Chair and Special Advisor, Ontario Investment and Trade Advisory Council.

The Rt. Hon. Beverley McLachlin, PC, Chief Justice of Canada, and Dr. John S. Niles, President, The Empire Club of Canada.

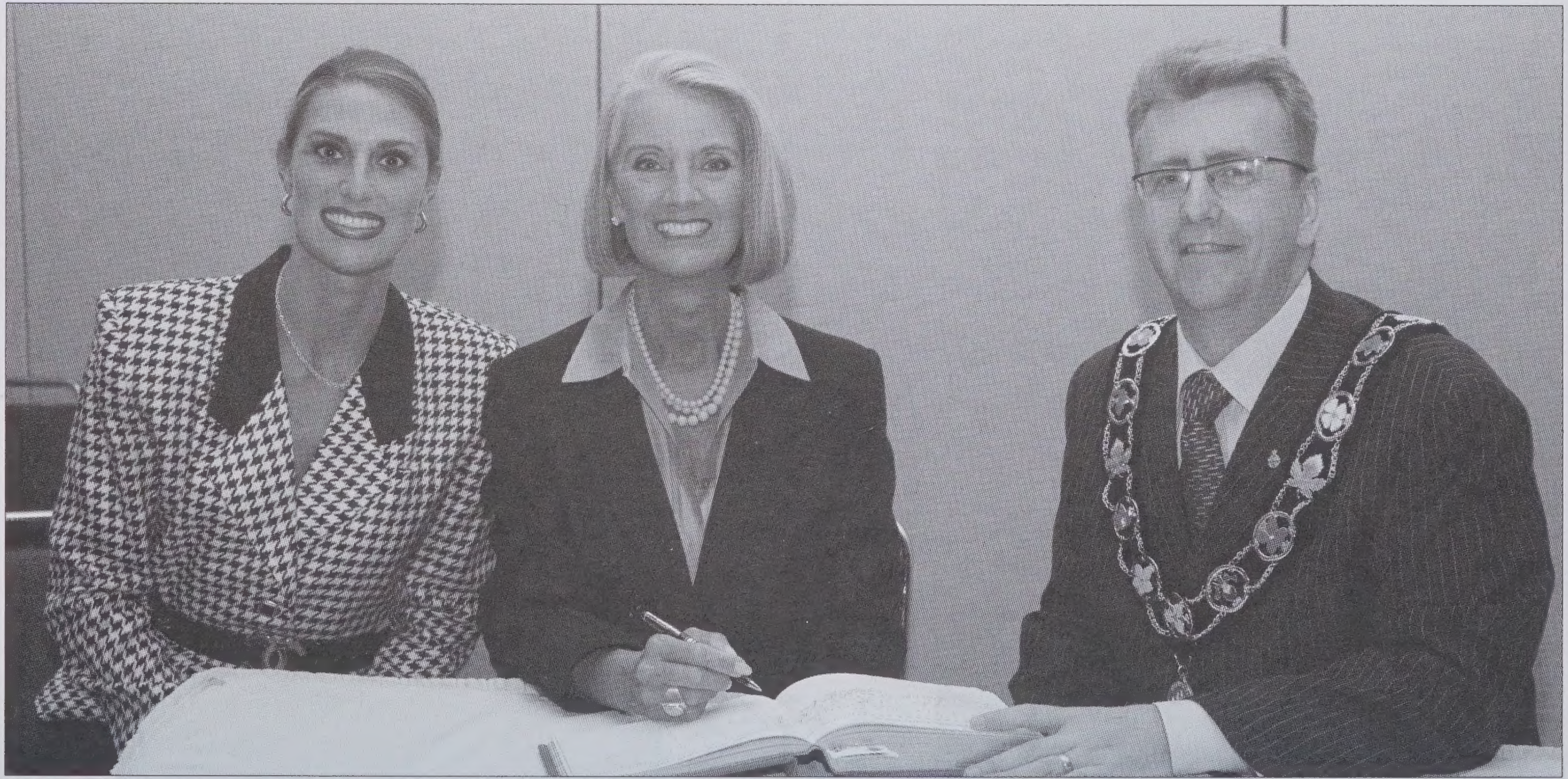
Donald K. Johnson, Senior Advisor, BMO Capital Markets, The Hon. Greg Sorbara, Minister of Finance, Government of Ontario, and The Hon. Mary-Anne Chambers, Minister, Children and Youth Services, Government of Ontario.

Douglas Morris, President, Morris Glass and Windows/Humidity Solution, and J. W. (Bill) Marriott Jr., Chairman and CEO, Marriott International Inc.

Edvins Hermanovics, Former School Principal in Dryden, Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook, Her Excellency, Claire A. Poulin, Ambassador of Canada to the Republic of Latvia, His Excellency Atis Sjanitis, Ambassador of the Republic of Latvia to Canada, Dr. Esther Farlinger, President and CEO, Justme & Design Association Ltd., and Director, Transac Inc., and The Hon. Aigars Stokenbergs, Minister of Economics, Republic of Latvia.

LCol A.G. (Sandy) Cameron, CStJ, CD, AdeC, Chief AdeC to the Lieutenant-Governor of Ontario, and Director, The Empire Club of Canada, H.E. Dr. Vaira Vike-Freiberga, President of the Republic of Latvia, and Reverend Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

The Hon. Perrin Beatty, President and CEO, Canadian Manufacturers and Exporters, and Elyse Allan, Speaker and Guest of Honour.



Morrow Reitmeier, Anne Graham Lotz's Daughter, Anne Graham Lotz, President, AnGel Ministries, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Rudyard Griffiths, Executive Director, Dominion Institute, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Gareth S. Seltzer, President, TWS Canada Group, and Past President, The Empire Club of Canada.

Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Financial Group, and Director, The Empire Club of Canada, and Rev. Canon Kimberley Beard, BA, BEd, MDiv, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada.

Carole Inman, Director, AnGel Ministries, William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada, Anne Graham Lotz, President, AnGel Ministries, and Morrow Reitmeier, Anne Graham Lotz's Daughter.

Emma Krause, Grade 11 Student, Bishop Strachan School, and The Hon. Tony Clement, PC, MP, Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, Government of Canada.

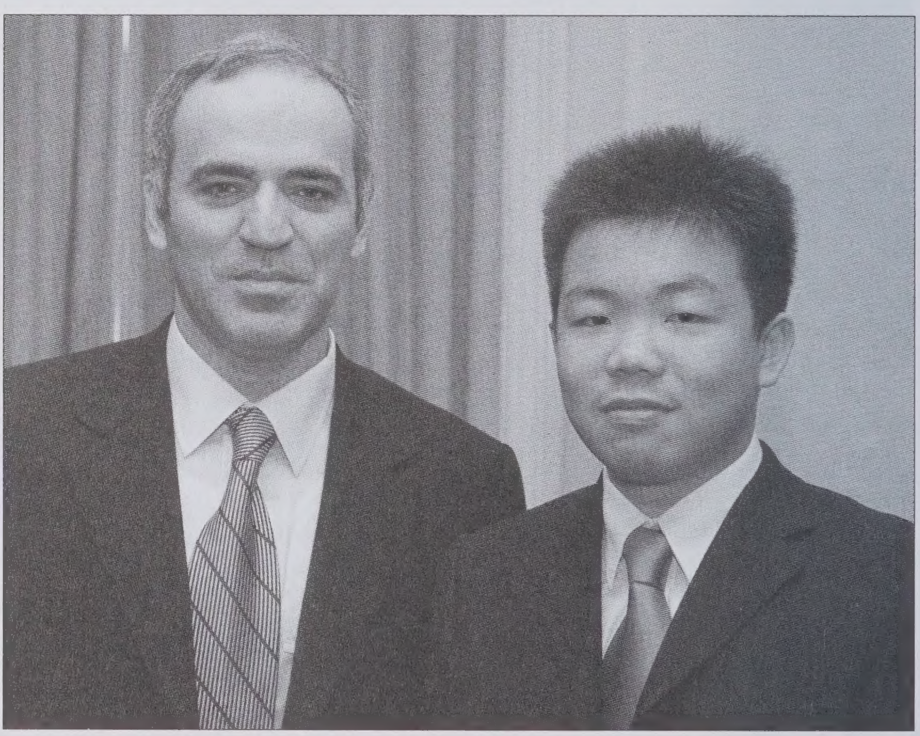
Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Amanda Lang, Co-Anchor, Squeeze Play, Report on Business Television, and Director, The Canadian Club of Toronto.

The Hon. Stéphane Dion, Speaker and Guest of Honour, The Hon. Bob Rae, Speaker and Guest of Honour, Gerard Kennedy, Speaker and Guest of Honour, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Bluma Appel, OC, OOnt, Hon. LLD, Philanthropist, The Bluma Appel Theatre in Toronto named in her honour, and Lord Black of Crossharbour.

Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Financial Group, and Director, The Empire Club of Canada, and Dr. Laslo Simon, President, Hungarian Canadian Forum.

Dr. Michael Baker, Physician-in-Chief, University Health Network, and Doug Morris, President, Morris Glass and Windows/Humidity Solutions, and Director, The Empire Club of Canada.



Garry Kasparov, Greatest Chessplayer of All Time, and Chairman, United Civil Front of Russia, and Adrian Poon, Senior Student, North Toronto Collegiate Institute.

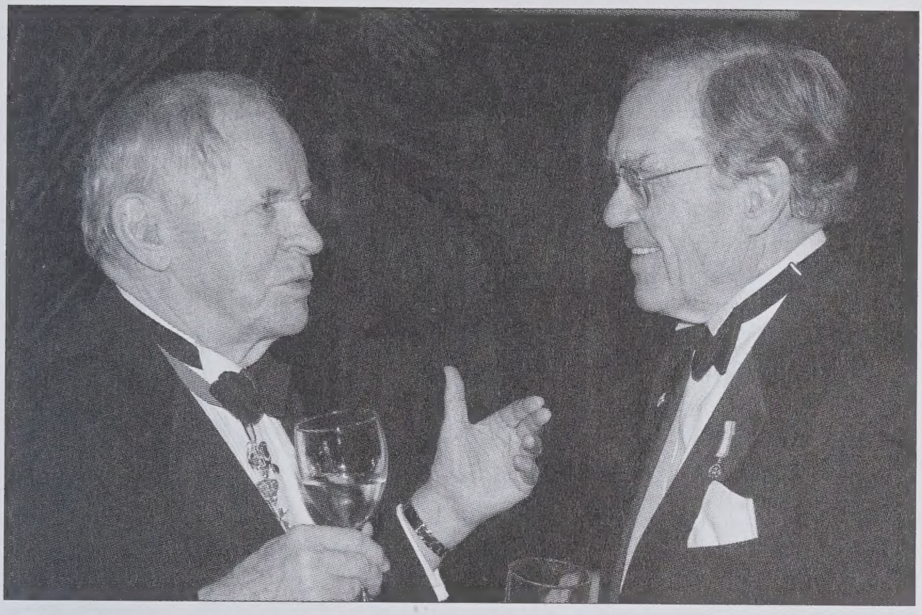
Nabila Qureshi, Grade 12 Student, York Memorial Collegiate Institute, Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada, Joseph M. Tanenbaum, President and CEO, JAY-M Holdings, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Taylor Gunn, Chief Election Officer, Student Vote, Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Financial Group, and Director, The Empire Club of Canada, and John C. Koopman, Vice-President, Spencer Stuart, and Past President, The Empire Club of Canada.

George Lewis, CFA, Chairman and CEO, RBC Asset Management Inc., and Executive Vice-President, Wealth Management, RBC Financial Group, William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Andrew Pyle, Vice-President and Senior Financial Markets Economist, Scotiabank Group, and Morley W. Salmon, Chairman, Limited Market Dealers Association of Canada.

Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada, Ivan Wawryk, President and Project Director, Nasittuq Corporation, and Mary Simon, OC, President, Inuit Tapiriit Kanatami.



J.A. Wm Whiteacre, MM, CD, QC, Honorary Director, The Empire Club of Canada, and Past President, R. Bredin Stapells, QC, 1966–1967.

Past President John C. Koopman, 2003–2004, Vice-President, Spencer Stuart, and Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook.

Past Presidents, Honorary Directors and Directors, honouring Immediate Past President, William G. Whittaker, QC, 2005–2006.

Albert Sweetnam, Senior Vice-President and General Manager Infrastructure, SNC-Lavalin, and The Rt. Hon. Edward N. Lowassa, Prime Minister, United Republic of Tanzania.

Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada, and Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada.

Dorene Seltzer, Chair, Seltzer-Chan Pond Inlet Foundation, and Susan Aglukark, OC, Singer/Songwriter.

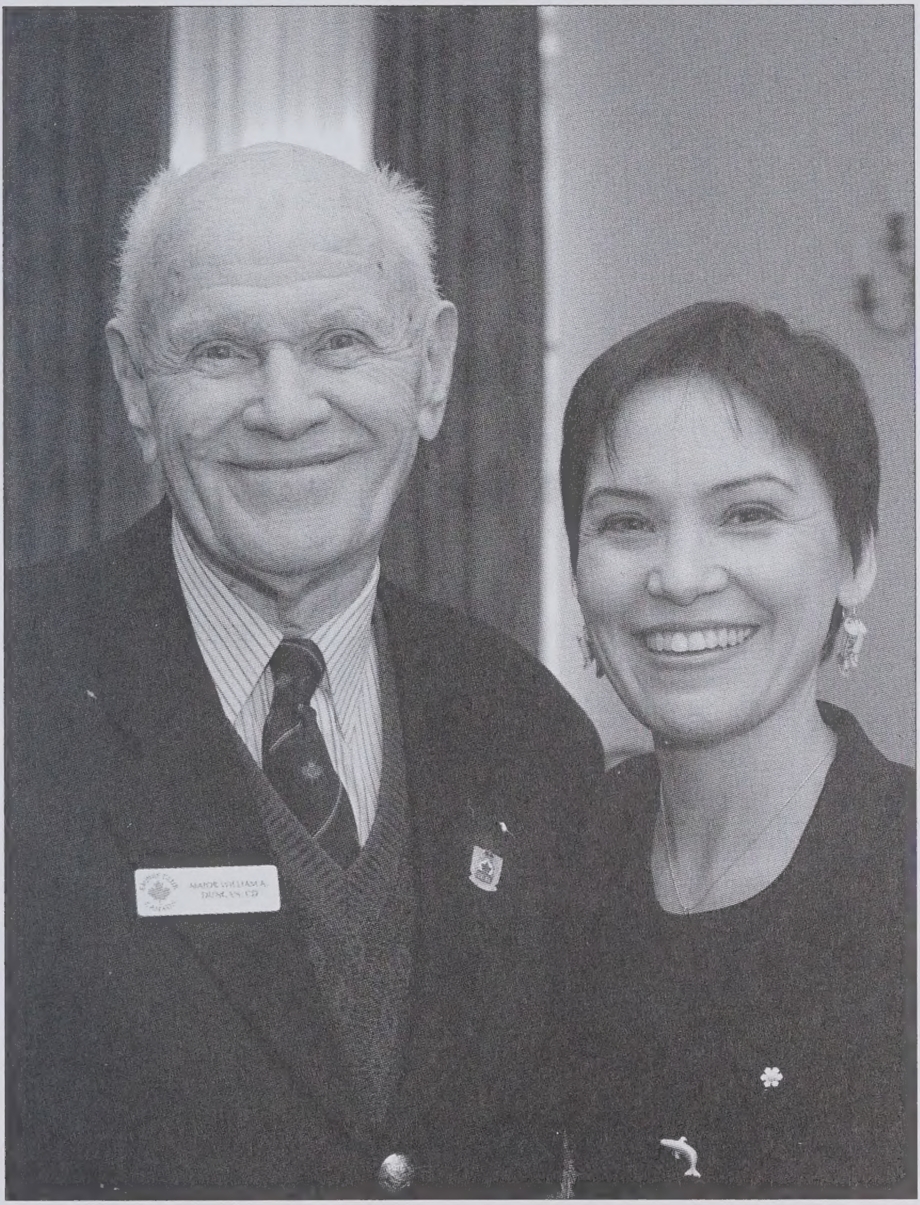
Joseph J. Oliver, President and CEO, Investments Dealers Association of Canada, and Paul Moore, Vice-Chairman, Ontario Securities Commission.

Stanley Lambe, The Yonge Street Mission, Lisa Cardile, The Yonge Street Mission, Abdul Chaudhry, Supporter of the Canadian Forces and Father of Ali Chaudhry, The Rt. Rev. Colin R. Johnson, Bishop of the Anglican Diocese of Toronto, and Honorary Chaplain, The Empire Club of Canada, Major William A. Duncan, Veteran and Honorary Director, The Empire Club of Canada, Rudyard Griffith, The Dominion Institute, and Anita Hofstatter, Volunteer, the Sunnybrook Veterans Wing.

Ratna Omidvar, Executive Director, The Maytree Foundation, and Karen Farbridge, Mayor, City of Guelph, Ontario.

Nicholas Armour, British Consul General to Toronto, and Jodi White, President, Public Policy Forum.

Shahriyar Nasir, Senior Student, Bloor Collegiate Institute, Kamal Hassan, CEO, Applied Location, and Director, The Empire Club of Canada, Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada, Fred J. Green, President and CEO, Canadian Pacific Railway, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.



Major William A. Duncan, Veteran and Honorary Director, The Empire Club of Canada, and Susan Aglukark, OC, Singer/Songwriter.

TO OUR TROOPS HOME & ABROAD, WE SALUTE AND
THANK YOU!
THE EMPIRE CLUB OF CANADA AND LUNCHEON GUESTS
DECEMBER 14/2006
2

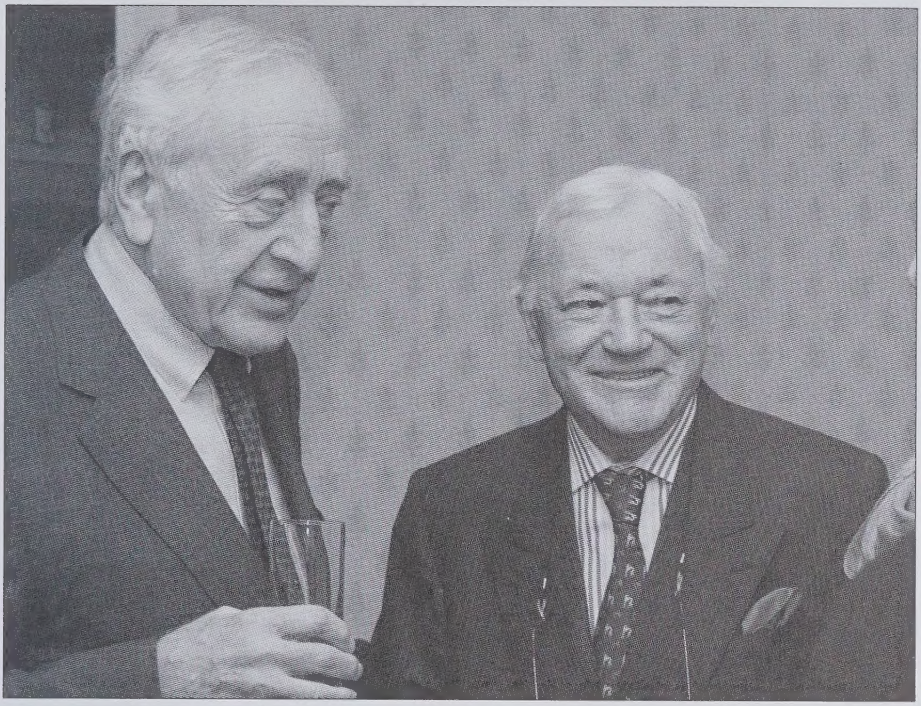
Cadet Organization Police School (COPS) Royal Canadian Army Cadets (Military Police) left to right: Jordan Hill, Ariel Cuzner, Cody Smith, Zachary Lanoue, Daniel Arbuthnot, and Oleh Romanyshyn.

Dominic D'Alessandro, President and CEO, Manulife Financial, and Donald K. Johnson, Vice-Chairman, BMO Nesbitt Burns Limited.

Major William A. Duncan, Veteran and Honorary Director, The Empire Club of Canada, Ken Shaw, National Editor and Anchor, CTV News at Six, and Director, The Empire Club of Canada, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and LCol A. G. (Sandy) Cameron, CStJ, CD, AdeC, Chief AdeC to the Lieutenant-Governor of Ontario, and Director, The Empire Club of Canada.

Mark Lerner, Assistant Vice-President, Sales, CN Rail, Ron Tepper, President and CEO, Consolidated Fastfrate Inc., Glynn Williams, Chairman and CEO, Reliance Aerotech Canada Inc., and Brian Gerrior, National Manager, Import Logistic Services.

Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook, Col. Allan Richard Halfper, OMM, CD, BSc, Deputy Commander, Joint Task Force Central, Land Force Central Area, Sonja Bata, Founding Chairman, Bata Shoe Museum Foundation, and Ontario Chair, Canadian Forces Liaison Council, Akela Peoples, Co-Founder, President and CEO, Youth in Motion, and Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada.



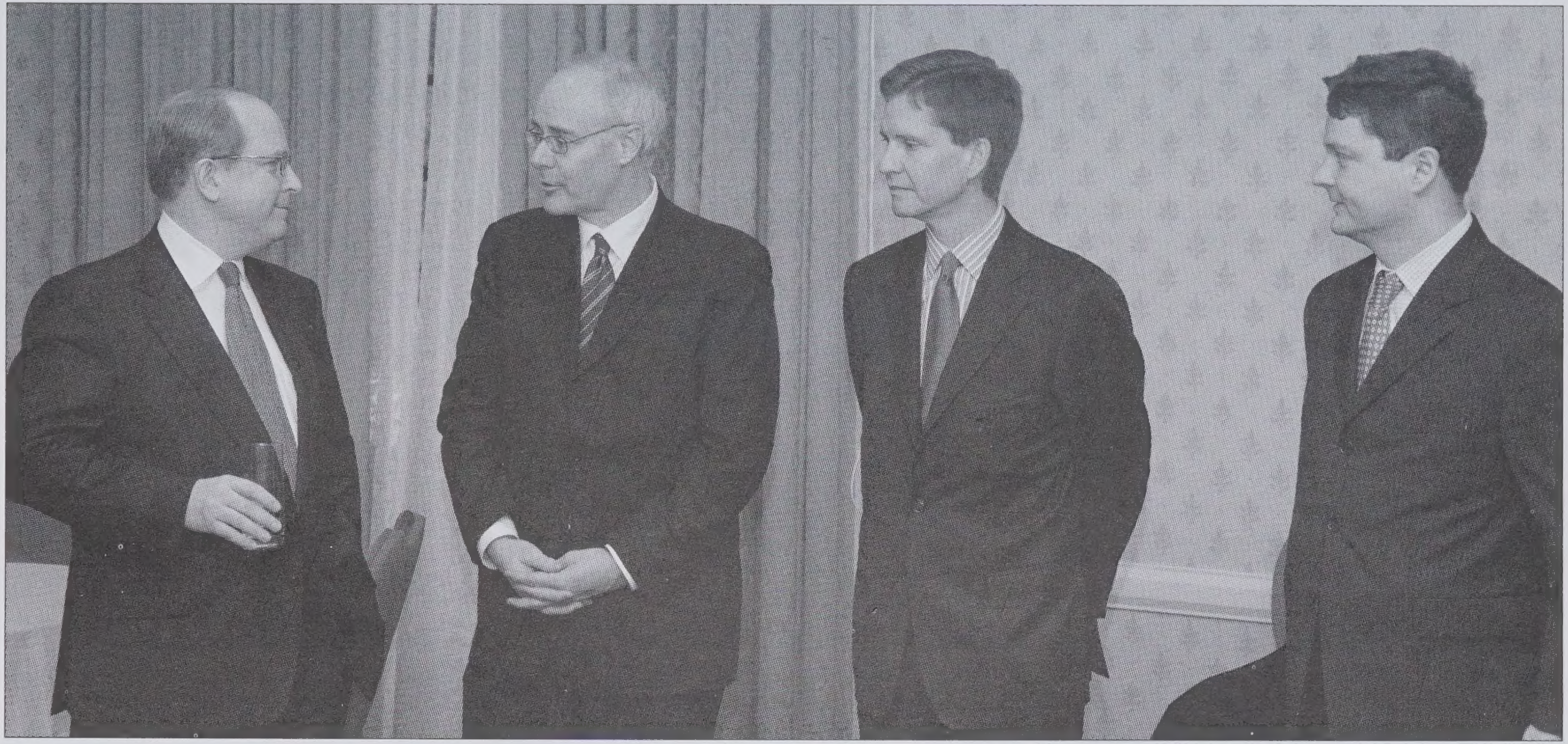
Dr. Murray Frum, Chairman, Frum Development Group, and Alan Fotheringham, Journalist.

Christian Henderson, Independent Student, and Michael L.J. Kirby, Chairman, Canadian Mental Health Commission.

Tony van Straubenzee, President, Rockhaven Consulting, and Past President, The Empire Club of Canada, Diane Flanagan, Chief of Staff to The Hon. Greg Sorbara, Minister of Finance and Chair of Management Board, Province of Ontario, Helen Walsh, President, Couchiching Institute on Public Affairs, Dominic D'Alessandro, President and CEO, Manulife Financial, Scott Jolliffe, Firm Managing Partner, Gowling Lafleur Henderson LLP, Michael Macmillan, Executive Chairman, Alliance Atlantis Communications Inc., and Past President, The Canadian Club of Toronto, and Jodi White, President, Public Policy Forum.

Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook, The Hon. David H. Wilkins, United States Ambassador to Canada, and Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada.

Ena Vukatana, Senior Student, North Toronto Collegiate Institute, Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada, George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada, Dr. Alan R. Hudson, OC, Lead, Access to Services and Wait Time Strategy, Ministry of Health and Long-Term Care, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Barry St. Dennis, who leads the National Anthem.



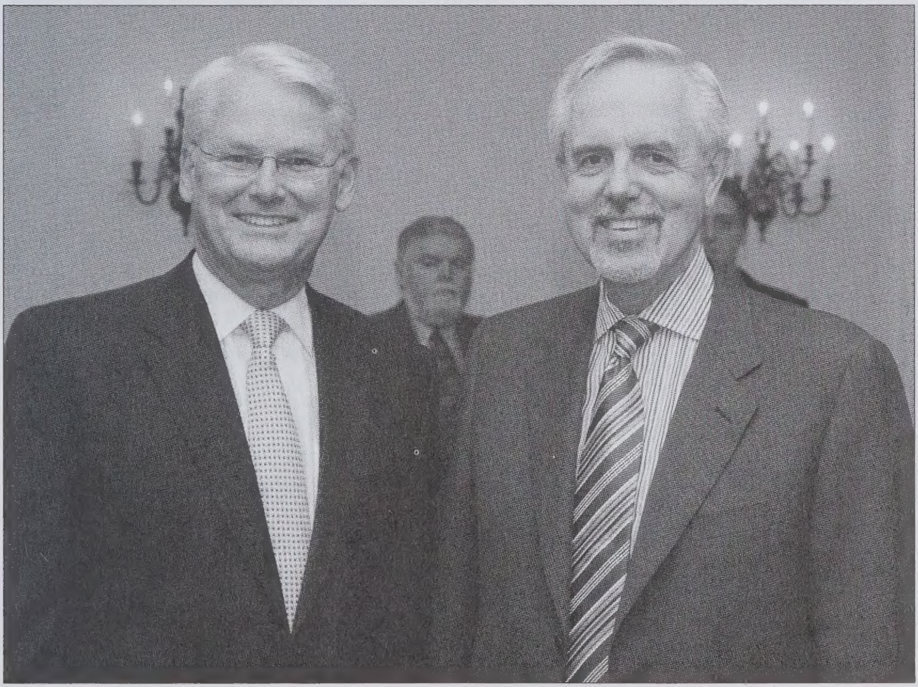
Donald A. Guloien, Senior Executive Vice-President and Chief Investment Officer, Manulife Financial, The Hon. Perrin Beatty, President and CEO, Canadian Manufacturers and Exporters, Dougal Macdonald, President and Managing Director, Morgan Stanley Canada Limited, and Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Financial Group, and Director, The Empire Club of Canada.

The Rt. Hon. Adrienne Clarkson, Former Governor-General of Canada, The Hon. Annemarie Bonkalo, Associate Chief Justice, Ontario Court of Justice, Reverend Ajit John, Lawyer, Law Society of Upper Canada, and Priest, St. Matthew's Anglican Church, Riverdale, Edward Li, Senior Student, North Toronto Collegiate Institute, and Heather C. Devine, Associate in Litigation, Gowling Lafleur Henderson LLP, and Director, The Empire Club of Canada.

The Hon. Heather J. Smith, Chief Justice, Ontario Superior Court of Justice, Laura Legge, OOnt, QC, Partner, Legge & Legge Barristers and Solicitors, and The Hon. Madam Justice, Mary Lou Benotto, Superior Court of Ontario, and Director, The Empire Club of Canada.

Noella Milne, President, The Canadian Club of Toronto, and Partner, Borden Ladner Gervais LLP, Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, Lisa Baiton, Director, The Empire Club of Canada, and Vice-President, Government Relations, Environics Communications Inc., Catherine Swift, First Vice-President, The Empire Club of Canada, and President and CEO, Canadian Federation of Independent Business, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Chris Gomes, Banquet Manager, The Royal York Hotel, Annie Kowk, Director, Convention Services, Metro Toronto Convention Centre, and John Loucadellis, Assistant Manager, The Royal York Hotel.



The Hon. Gordon Campbell, Premier of British Columbia, and John Walter, Vice-President, Standards Development, Canadian Standards Association (CSA).

Harry T. Seymour, PEng, FFAF, President, Waterston Financial Inc., and Past President, The Empire Club of Canada, Linda Hasenfratz, CEO, Linamar Corporation, Lil Seymour, Vice-President, Waterston Financial Inc., and John Quinn, Partner, GBC Asset Management Inc.

Grant Kerr, Pastoral Associate, St. Paul's United Church, Brampton, and Andrew Kurek, Senior Student, Western Technical Commercial School.

Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada, and Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada.

George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada, and The Hon. Mary Anne Chambers, Past President, The Canadian Club of Toronto, and Minister, Children and Youth Services, Government of Ontario.

Bart Mindszenthy, APR, Fellow CPRS, Partner, Mindszenthy & Roberts Corp., and Past President, The Empire Club of Canada, Reverend Zoltan Vass, First Hungarian Presbyterian Church, His Excellency Dr. Laszlo Solyom, President of the Republic of Hungary, and Dr. Laslo Simon, President, Hungarian Canadian Forum.

Annie Kowk, Director, Convention Services, Metro Toronto Convention Centre, and LCol A.G. (Sandy) Cameron, CStJ, CD, AdeC, Chief AdeC to the Lieutenant-Governor of Ontario, and Director, The Empire Club of Canada.

His Excellency Robert Hage, Canadian Ambassador to Hungary, His Excellency Dr. Laszlo Solyom, President of the Republic of Hungary, Peter Munk, OC, Chairman, Barrick Gold Corporation, and President, The Peter Munk Charitable Foundation, and Frank Hasenfratz, Chairman of the Board, Linamar Corporation, and Awarded the Knight's Cross of the Order of Merit by the Republic of Hungary in 2006.

Jim Temerty, Chairman, Northland Power Inc., and Chairman, ROM Governors, Dr. Murray Frum, Chairman, Frum Development Group, Sai Badali, Director, Public Sector Practice, Deloitte & Touche, and Chair, ROM Board of Trustees, David Pecaut, Chair, Toronto City Summit Alliance, and Senior Partner, Boston Consulting Group, and J.C. Fiorillo, Senior Student, George Harvey Collegiate Institute.

Richard Rooney, President, Burgundy Asset Management, Oliver Murray, President and CEO, Brandes Investment Partners & Co., Michele McCarthy, Lawyer, McCarthy Law, and Chair, Toronto Port Authority, and Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada.

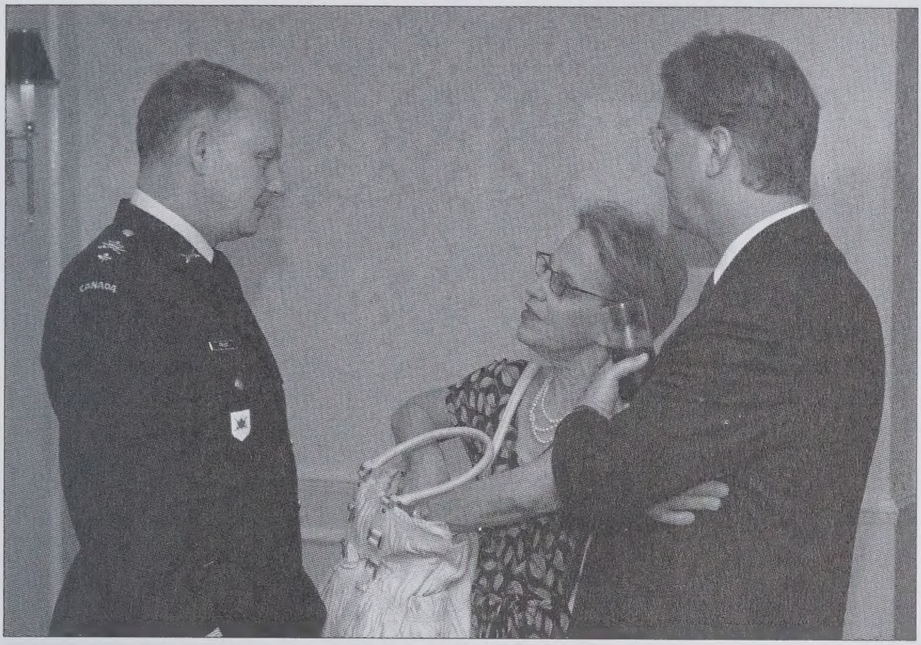
Georgina Steinsky-Schwartz, President and CEO, Imagine Canada, George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada, and Michael L.J. Kirby, Chairman, Canadian Mental Health Commission.

Rev. Canon Kimberley Beard, BA, BEd, MDiv, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada, George Fierheller, President, Four Halls Inc., and Dr. Margaret MacMillan, Provost and Vice-Chancellor, Trinity College, University of Toronto.

Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, The Hon. James K. Bartleman, Lieutenant-Governor of Ontario, Rick Tobias, The Yonge Street Mission, and our Empire Club of Canada Community Services Award Winner, and David Edmison, Past President, The Empire Club of Canada, and Past Chair, The Empire Club of Foundation.

William Saunderson, President, Ontario Exports/Mermax Holdings, Bailiff Sandra Brown, DH, Grand Master, The Hospitalier Order of Saint John of Jerusalem, Former Executive Secretary of Convocation, Trinity College, Taoying Zhu, Consul General, Consulate General of the People's Republic of China in Toronto, Susan Perren, Director, Development and Alumni Affairs, Trinity College, and Craig Keilburger, Founder and Chair, Free the Children.

The Hon. Greg Sorbara, Minister of Finance and Chair of Management Board, Province of Ontario, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

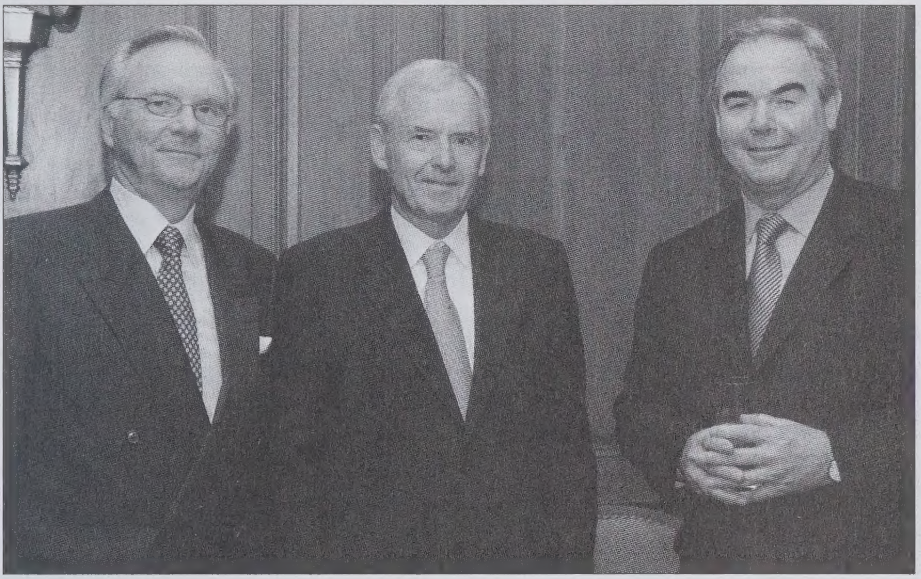


Brigadier-General David A. Fraser, Commander, Multi National Brigade, Regional Command South in Afghanistan, Professor Janice Gross Stein, Director, Munk Centre for International Studies, and Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada.

James Small, Vice-President, Government Affairs, Dundee Precious Metals Inc., and Richard Rooney, President, Burgundy Asset Management.

Lisa Baiton, Director, The Empire Club of Canada, and Vice-President, Government Relations, Environics Communications Inc., and Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada.

John C. Koopman, Partner, Spencer Stuart, and Past President, The Empire Club of Canada, and Major Sonia Skil, CD, Member of the Russian Orthodox Cathedral of Christ the Saviour.



Frank Morneau, Chairman, Morneau Sobeco, John McGrath, Chancellor for Temporal Affairs, Archdiocese of Toronto, and Jim Magee, President and CEO, Shorcan International Brokers Limited, and Senior Vice-President, TSX Group.

Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada, and Fred J. Green, President and CEO, Canadian Pacific Railway.

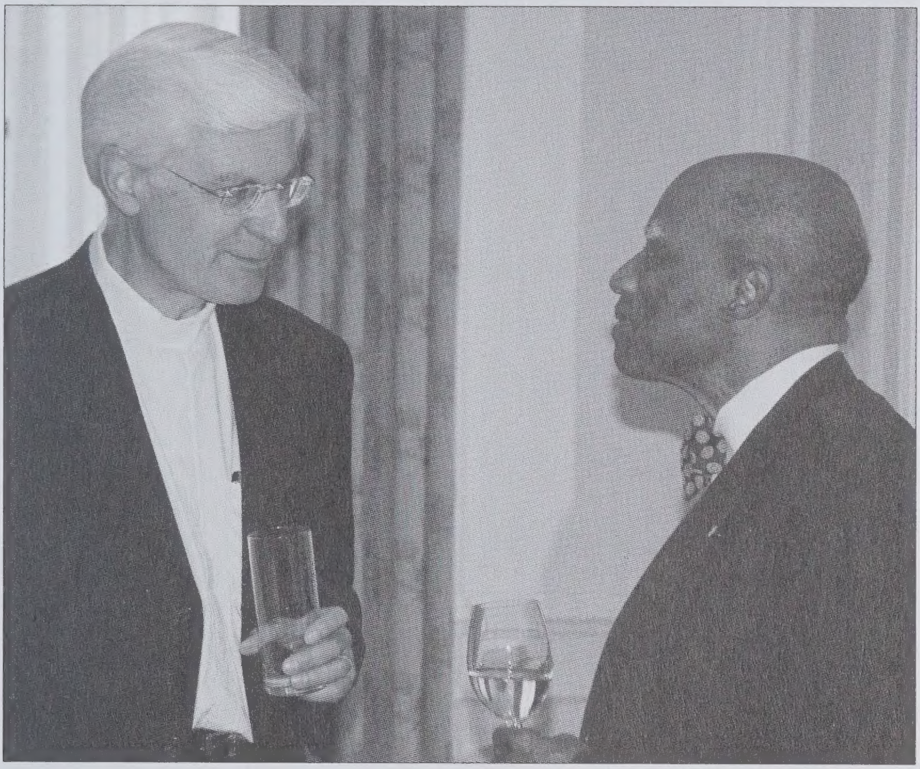
Regent Park School of Music.
Volunteer Director: Wayne Strongman, Artistic Managing Director, Tapestry New Opera.

Kamal Hassan, CEO, Applied Location, and Director, The Empire Club of Canada, and Sophia Gran-Ruaz, Top 20 Under 20 Winner.

Gareth S. Seltzer, CEO, TWS Private Management Inc., and Past President, The Empire Club of Canada, Alicia Beizberg, Co-Founder and Executive Vice-President, Beizberg Technologies Inc., Garry Kasparov, Greatest Chessplayer of All Time, and Chairman, United Civil Front of Russia, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Barry St. Dennis, who leads the National Anthem.

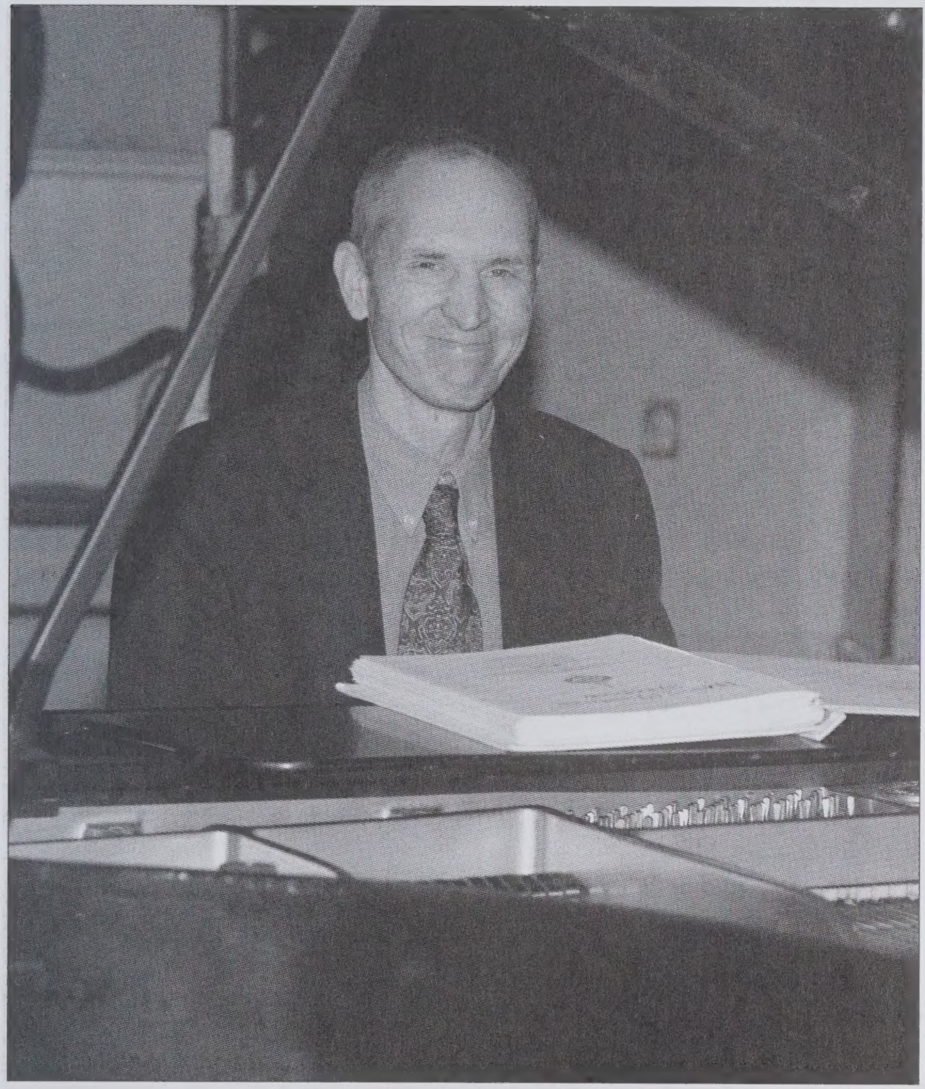
Antoni Cimolino, General Director, Stratford Festival of Canada, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada.

Doug Morris, President, Morris Glass and Windows/Humidity Solutions, and Director, The Empire Club of Canada, Roman Peits, Founder, Chess Academy of Canada, Michael W. Lipp, Vice-President, The Staubach Company, James Small, Vice-President, Government Affairs, Dundee Precious Metals Inc., Richard Rooney, President, Burgundy Asset Management, Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, Vadym Kozub, Regional Director, Toronto Chapter, Canada Eurasia Russia Business Association (CERBA), and Daria Kasparov, Spouse of Garry Kasparov.



Rev. Canon Philip Bristow, Incumbent, St. Philips On-the-Hill Anglican Church, Unionville, and C. Arthur Downes, Retired Justice of the Peace, and Honorary Consul for the Republic of Guinea, and Vice-Chairman, The Royal Commonwealth Society of Canada, Toronto Branch.

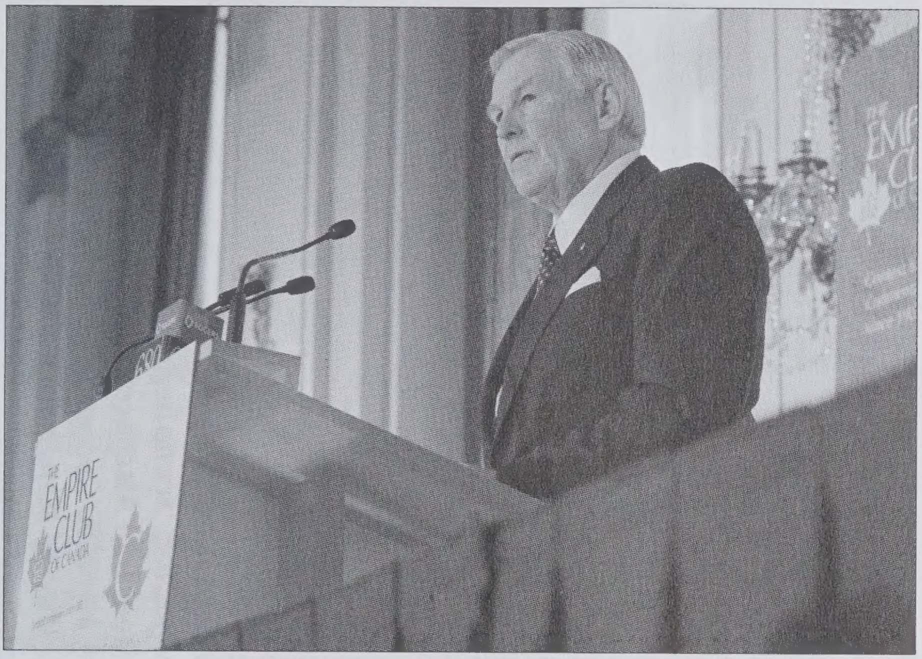
Dr. Charles Mayenga, Board Treasurer, African Canadian Social Development Council, and Chairman, The Commonwealth Essay Competition, Royal Commonwealth Society, Peter K. Large, Barrister and Solicitor, and Chairman, Royal Commonwealth Society of Canada, Toronto Branch, Six Student Essay Award Winners, Royal Commonwealth Society of Canada, Toronto Branch, and C. Arthur Downes, Retired Justice of the Peace, and Honorary Consul for the Republic of Guinea, and Vice-Chairman, Royal Commonwealth Society of Canada, Toronto Branch.



Tony Mason, pianist at The Empire Club of Canada.

Gerard Kennedy, The Hon. Stéphane Dion, and The Hon. Bob Rae, three Liberal leadership candidates.

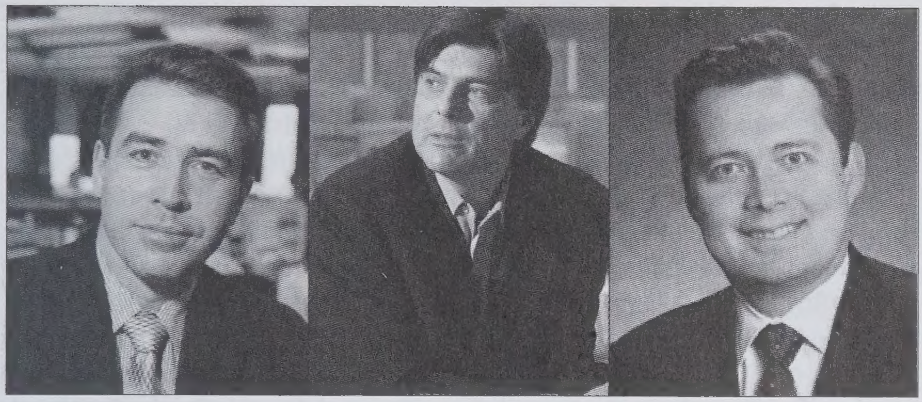
Dr. John S. Niles, President, The Empire Club of Canada, and The Rt. Hon. Beverley McLachlin, PC, Chief Justice of Canada.



The Hon. Michael Wilson, Canadian Ambassador to the United States of America.

Garry Kasparov, Greatest Chessplayer of All Time, and Chairman, United Civil Front of Russia, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

Andrew Pyle, Vice-President and Senior Financial Markets Economist, Scotiabank Group, Judy Goldring, General Counsel and Senior Vice-President, AGF Management Limited, Dan Machacek, CFA, Managing Director, TD Newcrest, David Fleck, Co-Head, Equity Products, BMO Capital Markets, George Lewis, CFA, Chairman and CEO, RBC Asset Management Inc., and Executive Vice-President, Wealth Management, RBC Financial Group, and Morley W. Salmon, Chairman, Limited Market Dealers Association of Canada.



January 4, 2007

Andrew Pyle

Vice-President and Senior Financial Markets Economist, Scotiabank Group

Jeffrey G. Rubin

Chief Economist and Chief Strategist, Managing Director, CIBC World Markets

George Lewis

Chairman and CEO, RBC Asset Management Inc., and Executive Vice-President, Wealth Management, RBC Financial Group

ANNUAL FINANCIAL FORUM

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada; Nick Barisheff, Founder and President, Bullion Marketing Services Inc.; C. Alexander Squires, CFA, Managing Partner, Brant Securities Limited; Joseph J. Oliver, President and

CEO, Investment Dealers Association of Canada; John Popelas, Director, Money Markets, RBC Capital Markets; Judy Goldring, General Counsel and Senior Vice-President, AGF Management Limited; Dan Machacek, CFA, Managing Director, TD Newcrest; Margaret M. Samuel, CFA, Chief Investment Officer and Portfolio Manager, Quadrexx Asset Management Inc., and Director, The Empire Club of Canada; Paul Moore, Vice-Chair, Ontario Securities Commission; Mark Wellings, Director, GMP Securities L.P.; Reverend Bruce Smith, King-Bay Chaplain, King-Bay Chaplaincy; Christina A. Cavanagh, Executive Director, Toronto CFA Society; Richard W. Nesbitt, CEO, TSX Group; Morley W. Salmon, Chairman, Limited Market Dealers Association of Canada; and David Fleck, Co-Head Equity Products, BMO Capital Markets.

Introduction by John Niles

Honoured guests, Past Presidents, Directors, members and guests of the Empire Club of Canada:

It is my privilege to welcome our guest speakers—Andrew Pyle, Jeffrey Rubin and George Lewis.

To borrow a phrase from a song made famous by the Beatles, "The best things in life are free, but you can keep them for the birds and bees. I want money."

Given everything that is currently happening with the markets, the economy and predictions on the economy, today's Empire Club financial forum couldn't be more timely. Our financial forum has become an annual tradition having noted financial experts share their insights and help us make some sense of what is happening in the markets.

Today, we have three eminent speakers who will share their views with us in succession. Each speaker will have a maximum of 10 minutes.

Our first speaker is Mr. George Lewis, Chairman and CEO, RBC Asset Management Inc., and Executive Vice-President of Wealth Management, RBC Financial Group.

Mr. Lewis is responsible for Canada's largest single mutual fund family, RBC Funds, and one of Canada's largest asset management firms with over $68 billion under management. He joined RBC Asset Management in 2000.

Our second speaker is Mr. Andrew Pyle, Vice-President and Head of Capital Markets Research, Scotiabank Group, who provides support and strategy recommendations to internal trading and sales staff and is a member of the Equity Strategy Committee. In addition to his internal advisory role, Andrew provides analytical and research support to domestic and international clients from the Equity, Fixed Income, and Foreign Exchange markets.

Andrew joined the Scotiabank Group in 2000 from ABN AMRO, where he was Chief Strategist. Prior to that, Andrew co-founded the market analytics firm PATH International and was Chief Canadian Economist for MMS International.

Our third speaker is Mr. Jeffrey G. Rubin, Chief Economist and Chief Strategist, Managing Director, CIBC World Markets.

Mr. Rubin has been the top-ranked economist in Canadian financial markets over the last decade. Since becoming Chief Economist at CIBC World Markets in 1992, Mr. Rubin has obtained a number-one ranking in either the Brendan Woods survey of institutional equity or institutional fixed income investors on no less than 10 separate occasions. In 2003 he also took over responsibility for equity portfolio strategy becoming the firm's Chief Equity Strategist. Mr. Rubin has been a managing director of the firm since 1995.

Ladies and gentlemen, please welcome our first speaker Mr. George Lewis.

George Lewis

Thanks very much John. Thank you Bill and thank you Margaret. Honoured guests, ladies and gentlemen, it's a pleasure for me to be here. Happy New Year! I'm here to provide RBC's view of the global equity markets and in doing so I think you'll note some differences and agreements and assumptions with my co-panelists Jeffrey and Andrew who I'm sure will follow with excellent arguments. I hope you will allow some repetition from my point of view in terms of comments they might make as well.

Now those of you who attended the event two years ago heard from Dan Chornous, our Chief Investment Officer at RBC Asset Management and Chair of the RBC Investment Strategy Committee. Now modesty prevents Dan from speaking with you again today since his outlook for 2005 and 2006 was fairly spot-on, so the task this year is mine.

Some of you may know that Dan is both a member of my management team on the one hand and also my boss on the other in my capacity as Co-Manager of the RBC Global Titans Fund. This fund invests in leading companies operating in various industry sectors around the world and as a manager of the fund I'm in the same position as all of you here today—interested in the overall view of the global equity markets from the RBC Investment Strategy Committee and the implications that they have for my portfolio. Now I hope to do justice to the 2007 outlook from Dan and the committee because my bonus may be resting on it.

First a few words about the RBC Investment Strategy Committee. It's comprised of individuals— professionals from RBC Asset Management's offices from around the world in North America, Europe and Asia, as well as representatives from RBC's other wealth management businesses in Canada and around the globe. Businesses like Dominion Securities, Dain Rauscher and Global Private Banking. At least quarterly the committee meets to review the outlook for economic growth, inflation, interest rates, currency, fixed-income markets as well as equity markets on both a geographic and sector basis. The committee recommends changes to portfolio asset mix for a typical balanced investor with a neutral recommendation being 55 per cent equities and 45 per cent bonds and cash. It also recommends geographic and sector weightings within asset classes and has been able to add value with each type of recommendation.

For the last few years the committee has consistently recommended an overweight position in equities, which has translated into good performance for our funds and our clients. The headline news for 2007 is that this view remains intact. Global equity markets again offer solid opportunities for investors evidenced by the recommended weight of 62 1/2 per cent for equities in a balanced portfolio. Importantly though, we expect better returns from non-Canadian equity markets than from Canadian exchanges. In addition to the benefits of diversification from investing in foreign markets, which are always present, this leads to a sense of urgency on our part to highlight the importance of increasing exposure to equity markets outside Canada particularly those in the U.S. Nor is it too late to act.

Going back in time we have seen that on average after a soft landing, which is our expectation, there is typically an additional 10 quarters of positive stock market returns. So history suggests we could see a continuation of the bull market through 2007, 2008 and into 2009.

Let me explain why we remain optimistic about equities in general and foreign markets in particular. There are three reasons.

We believe the Federal Reserve in the U.S. and most central banks around the world have completed a cycle of increases in short-term interest rates or tightening that has successfully moderated inflation. Low and predictable levels of inflation are key to positive returns in both fixed-income and equity markets over time.

Number two. We believe that this cycle of Fed tightening has led to a modest slow-down in economic growth—the soft landing economists refer to and not recession. This is important for the ability of companies to continue to generate increases in earnings per share and it also has some powerful historical precedent in terms of the performance of equity markets after a period of Fed tightening.

And finally, valuations in our view are extremely compelling particularly in the U.S. but in other foreign markets as well. The S&P 500 U.S. Index trades at roughly 16 1/2 times earnings, significantly lower than its peak in 2000 of over 30 times and lower than warranted by our outlook for low and predictable levels of inflation and interest rates.

While the current bull market may feel like it has lasted a long time, increases in share prices to date have been delivered through growth in earnings. We continue to expect increases in earnings but we also believe that share prices can be propelled higher by increases in the P/E ratio to at least the 20 times range.

I'll spend a few minutes on the first two of our reasons for optimism since the economic data in most observers, although thankfully not all, have conformed to this view since the summer.

Firstly, we do need to be concerned about inflation in every economic cycle because the acknowledged role of central banks is to control it. Therefore they will keep increasing interest rates, which is not good for growth, profits or equity returns until they believe this goal is achieved. This is exactly what has transpired this cycle in our view. Based on the inflation data since June of 2006 we believe the Feds should be confident that no further interest rate increases are required to combat inflation. So have they gone too far in combating inflation and pushing the global economy into recession? We don't believe so as all signs point to modest positive economic growth in all major economies in 2007.

While most observers now agree with our view of moderating inflation and a soft landing, I do want to emphasize how important this is to our recommendation to overweight equities. Based on a review of past cycles of Fed tightening and there have been about 19 I believe since World War II, whether the economy achieves a soft landing on the one hand or a recession on the other is crucial in determining the returns from the stockmarket following the end of a Fed tightening. The average stockmarket return in the 12 months following the end of a Fed tightening is a positive 20 per cent when the economy achieves a soft landing. The average return is negative 10 per cent when the economy slides into recession.

Given the evidence of moderating inflation and interest rates as well as positive economic growth since mid-2006 when the Feds ceased tightening as well as the positive performance of all major equity markets in the second half of 2006, we believe the debate can now progress to a more challenging but enjoyable question, "How high is up?" In short the upside we expect is driven by our outlook for rising corporate profits and increases in P/E valuations. We believe corporate profits will maintain their current high level in terms of percentage of GDP and will continue to grow in absolute terms for two main reasons.

Continuing improvements in productivity from outsourcing, offshoring and improvements in supply chain management will support increases in profit margins from already high levels. Secondly, superior economic growth and developing economies continue to offer global companies, many of whom are listed in the U.S., European or Japanese markets, the ability to grow earnings. We believe analysts may be underestimating the impact of these factors new to this cycle. In the past 15 quarters, analysts' estimates have been lower than actual results and by margins much greater than their average degree of conservatism.

So given the scenario I've outlined today, relatively low and stable inflation and interest rates, positive economic growth, and rising corporate profits we might expect the equity markets to be trading at all time highs in terms of price earnings multiples. Yet when we look at the major equity markets around the world almost all of them lie below valuation levels that are consistent with this outlook.

Of course there's one notable exception to that and that is Canada. We are one of the world's most expensive markets after several years of out-performance. And furthermore we are a very concentrated market with almost 50 per cent of our equity market comprised of energy and material stocks. We believe Canadian investors should increase their exposure to foreign markets in 2007 not only to achieve the superior returns we expect over the next few years but to achieve diversification in industry exposure from this very concentrated market.

In the near term we see the best return potential in the U.S. market where large cap stocks have lagged behind until very recently. EPS growth in the range of 10 to 15 per cent per annum combined with a potential multiple expansion of 20 per cent over the next few years indicate the potential for significant returns.

Furthermore the U.S. market offers sector diversification for Canadian investors due to its greater concentration of companies in the industrial, consumer, health-care and technology sectors.

Finally many of these U.S.-based companies have significant and growing global operations and are poised to generate corporate profit growth significantly in excess of the domestic GEP growth in the U.S. We see solid opportunities for returns in other developed markets as well including Europe and Japan, which are beginning to generate their share of global leaders as well. Companies like Toyota, Group DENON, PBVA and Novartis. While we believe opportunities exist for some companies in all industry sectors to deliver good returns to investors, we see new market leadership emerging in the so-called disinflation stocks, financials, consumer, health care and technology.

Yes, the Canadian equity markets have performed well over the last five years. However, they no longer have the potential upside that exists in foreign markets. Our position at RBC is that there are solid potential in these markets for at least the year ahead and probably longer but you will have to get involved and become a little less Canada-centric if you want to realize that potential.

Thank you for your attention today and best wishes for a successful 2007.

Introduction by John Niles

Now ladies and gentlemen, please welcome Mr. Andrew Pyle.

Andrew Pyle

Thank you very much John for that warm welcome. Ladies and gentlemen, it is my distinct pleasure to be here today with you and I hope I can give you an economist new year's present to start 2007 off right. No I don't mean a 100-per-cent accurate forecast but perhaps a discussion of the general outlook for the fixed-income markets both in North America and globally. I will try to keep it intelligible and I'll try to keep it within 10 minutes. I'm not sure which is more achievable but let's try to succeed in at least the latter.

I'm actually pleased we are talking about bonds today as I don't think I would have been as optimistic had I been talking about equities so again we will try to keep this very upbeat.

There is a long-held view that the U.S. only experiences mid-decade slowdowns and not mid-decade recessions. Those episodes are reserved for the early stages of a decade. Well, we are well passed the half-way mark of this decade and so far thankfully no recession. But we still have a few more years to grind through before we can say that that pattern is held intact.

For those who believe the Federal Reserve under the stewardship of a learner chairman has once again succeeded in producing a coveted soft landing the recent weeks have indeed been welcome. Economic indicators have largely surprised on the upside since the start of December and growth forecasts for 2007 and 2008 have started to be lifted. Goldilocks apparently has returned to the building.

The rally in Treasury yields from mid-summer of last year through to November of last year can be mainly attributed to two things—the quasi calming down of inflation helped in part by the drop in energy prices and the enshrined belief that the Fed would deliver on monetary easing at some point in 2007. Now that energy prices appear to be stabilizing and could perhaps even venture higher, the argument in favour of lower yields in 2007 essentially comes down to one assumption and that is the Fed cuts rates. Yet if we took this week's December 12th FOMC minutes at face value there is a suggestion that the Fed could leave the funds target at 5 1/4 per cent all the way through 2007 on the belief that they would still be able to achieve decent growth in the U.S. economy. The longer the Fed delays in serving up these cuts, the more restless the U.S. bond market becomes.

The problem is that much of the apparent improvement in recent economic conditions, modest albeit, has resulted from declines in mortgage rates and gasoline prices during the second half of last year. As soon as rates began to pick up and as soon as pump prices stopped falling, activity in the U.S. during December began to break down. Mortgage applications during the middle two weeks of December sank and retail sales anecdotes from the holiday season have been far from stellar.

Housing in particular is going to be a major problem at the start of 2007 since the lack of sustained improvement in housing demand will leave a massive inventory overhang from last year in place. This will force builders to cut back on output or face the consequences of further corrosion in home prices.

At the end of the day a negative wealth effect shock could cause the consumer to cut spending on a quarterly basis for the first time since 1991. Ironically, if this scenario pans out not only will the original forecast of Fed easing come into fruition but investors may discover that the final outcome will be a longer period of monetary easing with the magnitude of rate cuts in excess of those forecasts.

Goldilocks' presence was also felt in the corporate market. Despite concerns of a possible near-term hard landing spreads remained snug during 2006 and surprisingly tightened in the auto sector of all things. All the wild volatility in corporate stock and debt prices fell to extremely low levels and as volatility declined the cost of taking out insurance on corporate exposure also fell as evidenced by the sliding credit default swaps spreads. But still this weakening in premiums was not enough to detract providers of insurance from writing that insurance as the hunger for yield continues.

At the beginning of the new year we are faced with a risk-reward imbalance. The prospect for significant growth in real returns on corporate paper is limited while the risk of an economic or event-driven widening in spreads has increased. That applies equally to sovereign debt. Emerging market spreads have tightened in by close to 650 basis points or 60 per cent since the last sizeable back-up in 2002. In comparison during the lead-up to 2000 spreads narrowed 970 basis points or 66 per cent. Emerging market equity indices have also skyrocketed and Mexico's rally of well over 300 per cent in the past four years is not far off the NASDAQ's four-year return ending in 2000.

Fundamentals in today's emerging markets are definitely better than the vacuous state at the height of a tech bubble in terms of earnings but do they validate current levels? Either a negative credit or sovereign development would likely produce a flight to quality from assets that are not priced adequately for the extra risk they involve. As far as the market is concerned both of these risks have minimal probabilities and that is a common characteristic of the Goldilocks' view.

A higher probability can and should be assigned to another wave of U.S. dollar selling. For all the resiliency in global growth during 2006 and a further erosion in the greenback's value there has been no improvement in the U.S. current account deficit nor in the massive global savings imbalance. And as positive as some of the more recent U.S. indicators seem they may not be good enough to generate a continued growth in the demand for U.S. dollars as that imbalance remains in place.

The 2008 federal election may seem like a long way down the road but as it approaches we are likely to see more not less protectionism from Washington aimed at the likes of China. Any sabre rattling on trade usually conjures up thoughts of repercussions such as threatened acceleration in Asian reserve diversification away from U.S. paper, but the focus now should not be on China nor Japan as being the catalyst for a major sell-off in U.S. dollars. The greater threat for destabilization in the dollar and debt market stems from non-official holders of U.S. paper, the central banks of some of the rich or some of the petrol-rich nations namely Russia and parts of the Middle East. The reason is that there is simply not the same vested interest in the viability of the U.S. consumer among the latter group of countries as there are in most of Asia and therefore a greater potential for an exodus of funds.

The effects of the U.S. bond market from such a situation are more ambiguous than in a global credit shock and could turn out to be negative if the resulting dollar slide is viewed as inflationary by the Fed and therefore providing grounds for more hawkish stands on policy.

A U.S. dollar sell-off however would drive Canadian bond yields lower. Canada's economy has already underperformed the U.S. during most of the past year and we could see growth slip below 2 per cent in 2007 unless the last quarter and first quarter of this year show a meaningful pick-up. The Bank of Canada has left its options open and should not hesitate to cut rates if the growth trajectory deteriorates. Likewise, the bank should not be fooled by recent upward divisions to growth expectations or the recent weakness in the Canadian dollar. Commodity prices may still turn out to be the saviour of growth for Canada but it would come at the expense of U.S. growth and an even stronger Canadian dollar.

Bottom line, we have experienced what happens when U.S. growth falters and the Canadian dollar is weak and we have tasted what happens when the U.S. economy is strong and the Canadian dollar is rising. We have not yet tested in recent economic history what happens to Canada's economy under conditions where the U.S. economy is weak and our currency is strong. This could happen in 2007 and if it does there will be increased pressure on the Bank of Canada to respond with lower rates.

In summary, most signs do point to a capable landscape for Canadian and U.S. fixed-income markets in 2007 with global bond markets expected to follow suit with a lag. The downward trend in short-term U.S. and Canadian bond yields will continue during 2007 supported by policy easing from both central banks and this trend will be amplified by any of the following—an external geopolitical or credit event, a sudden and sharp retrenchment in U.S. consumer spending caused by the negative wealth effect from the housing correction, or an easing in non-North American central bank policy aimed at offsetting additional devaluation in the U.S. dollar.

Thank you very much and Happy New Year.

Introduction by John Niles

And now I wish to invite Mr. Jeffrey Rubin.

Jeffrey Rubin

Curiously I've been asked to speak about the outlook for the oil and gas income trust sector.

Let me dispense with the formal requirements of my speech. I think the outlook is pretty clear. Within four years they won't exist. And I'm as confident in that forecast as of course I am in all of my forecasts. But let me make some observations about factors that will drive the near-term performance of oil and gas royalty trusts, factors that have bearing on the performance of other assets beyond the trust market and of course I am referring to interest rates, the price of natural gas and the price of oil.

My first observation is that while we know that such instruments will not exist into 2011 there are still 48 months of distribution. And distributions have not stopped. In fact the yield in the income trust market has gone from about 8 per cent to just around 10 per cent. And last time I checked what a long Canada yield was it was barely above 4 per cent. I don't see too many instruments out there that offer a 600-basis-point pick-up over a long Canada yield particularly in a market that has never really had a high-yield bond market and that perhaps is not surprisingly why income trusts have outperformed the broad equity market for the last four years up until of course the minister's announcement.

Well the supply of income trusts is obviously going to be constrained in the next four years, but the demand for yield is not. And I would argue that the demand for yield is in fact going to grow because despite the wise benevolent guidance of our central bank, the fact of the matter is that interest rates are going to be going down in 2007 and not up. And those yields are going to become even more sought in the marketplace.

The context for interest rate cuts is going to be a very weak central Canadian economy, that probably will not be growing at all, an uncompetitive exchange rate even at today's exchange rate let alone where it was a couple of months ago.

Of course the performance of oil and gas royalty trusts don't just depend on the level of interest rates. They also depend very much on the price of oil and the price of natural gas, which as some of you may know, are subjects close to my heart.

First let me point out that the outlook for oil and the outlook for natural gas are two very different outlooks. I know that it is fashionable in some quarters in financial markets to believe in BTU price equivalents. By that I mean that natural gas and oil should trade at the same price energy adjusted. At least one hedge fund went broke last year following that theorem and I'm sure that many investors incurred a lot of red ink. Because the fact of the matter is that only about 20 per cent of natural gas and oil can be switched in the U.S. marketplace.

Oil and natural gas are two very different animals. Of course natural gas is a continental price, oil is a world price, but there's an even more fundamental difference and that is that U.S. natural gas demand is falling and will continue to fall, which cannot yet be said about U.S. oil demand. The simple fact of the matter is that while North America faces depleting natural gas supply in Canada, the rate of depletion right now is not keeping pace with the rate of demand destruction in the U.S. marketplace. Forty per cent of natural gas consumption in the United States is in the form of industrial usage and it has fallen 20 per cent over the last six years because of the steady exodus of gas-using industries such as the petrol chemical industry from North America where they pay six, seven dollars for gas at the feedstock, to places like the United Arab Emirates or Saudi Arabia where you pay one dollar feedstock prices.

Thirty per cent of natural gas is of course used for home heating and despite what the folks in Calgary may say the fact of the matter is that of the last 164 years eight of the warmest winters have occurred in the last decade. In fact there is now clear and overwhelming evidence of climate change and what we are going to see is natural gas continuing to be a major casualty of that and we can see that right today. We can see that in the space of one year. Natural gas has gone from around $13 in the aftermath of Katrina and Rita and a 50-per-cent premium to oil to $6 and a 50-per-cent discount to oil.

Now of course it can be said that oil too is a casualty of global warming. Certainly if you look at the U.S. northeast which accounts for about 80 per cent of U.S. home heating oil demand it is down about 40 per cent so far this year. Similar factors can be said in Europe. But given proportionately greater North American natural gas heating use, certainly the climate changes within the energy sector are going to be seen on gas a lot sooner than they are going to be seen on oil.

Let me point out within the energy sector what is going to be the biggest beneficiary of these climate changes and with every warm winter the appeal of uranium grows. For those of you who might have heard me at the TSFA forecast dinner back in September, I made a bull forecast that uranium prices would get to $70 a pound in 2007. Seemingly bold at the time. Uranium was around $50. We are already at $72 a pound in the year since the rate started. We are probably going to see $100 a pound prices by the end of the year as it becomes more and more apparent that carbon abatement policies of the kind that have just been engineered in California are going to spread to other jurisdictions in North America.

Now let me just conclude by talking a little bit about the supply side and why I still think that warming climate notwithstanding Canada is a very unique place on the supply side of oil.

Depending on your opinion of the current hospitality of Iraq to foreign investment, Canada represents about 60 per cent of the investible oil reserves in the world because in most places in the world there is a very strong social and political consensus that hydrocarbon assets should be owned and developed by the state. And I'm not just talking about radical regimes like Libya. I'm talking about places like Norway. I'm talking about places like Mexico. In fact Canada is very unique in the sense that its sector is open to foreign investment and given its bitumen resources, that basically accounts for about 60 per cent of investible oil reserves and that's including other supposedly open areas of investment such as strife-torn

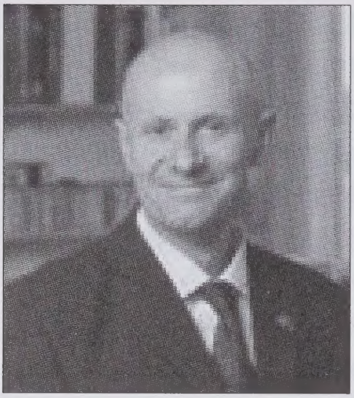
Nigeria. Surely the rule of law if not the rule of contract requires a huge premium on Canadian energy assets.

Lastly it is true that there is considerable skepticism about whether the oil patch can go from one million barrels a day of unconventional crude from bitumen to three to four million barrels a day in the next 10 to 15 years. If we know anything about the experience of the Athabasca Oil Sands, history has taught us that it usually takes twice as long and costs twice as much to get the oil out of the ground.

But what investors have to realize is that is not a uniquely Canadian story. That is a worldwide story insofar as unconventional hydrocarbons are concerned. Sakhalin II, the world's largest energy project, $10 billion overrun. That has ultimately led to the effect of nationalization of that project by Gazprom. If we look at the deep-water wells, 30 to 35 thousand feet, the technological marvels of what the U.S. oil industry always talks about in the Gulf of Mexico, it is commonplace to have three to four hundred per cent cost overruns. To the extent that Canada will not be able to bring that supply out within that timeframe or at today's cost only means that at the end of the day the price of oil is going to have to be higher because at the end of the day we are the marginal supplier. And I think that when you look around the world you'll find that there are very few places where you can grow production like you can grow in the Canadian Oil Sands and even fewer where you can invest.

Thanks very much.

The appreciation of the meeting was expressed by William F. White, President, IBK Capital Corp., and Director, The Empire Club of Canada.



January 11, 2007

Dr. Alastair J. S. Summerlee

Chair, World University Service of Canada (WUSC), and
President and Vice-Chancellor, University of Guelph

NEW OPPORTUNITIES FOR GLOBAL CITIZENSHIP

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

William D. Laidlaw, Executive Director, Canadian Biotechnology Education Resource Centre, and Past President, The Empire Club of Canada; Mark Macchia, Senior Student, Forest Hill Collegiate Institute; Rev. Canon Philip Hobson, Incumbent, St. Martin-in-the-Fields Anglican Church; Paul Davidson, Executive Director, World University Service of Canada (WUSC); Ratna Omidvar, Executive Director, The Maytree Foundation; Patrick Johnston, President and CEO, The Walter and Duncan Gordon Foundation; Ken Shaw, National Editor and Anchor, CTV News at Six, and Director, The Empire Club of Canada; H. Anthony Arrell, Chairman and CEO, Burgundy Asset Management Ltd., and Member of the Board of Trustees, University of Guelph; Karen Farbridge, Mayor, City of Guelph, Ontario; and George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.

Introduction by John Niles

Your Honour, Your Worship, Past Presidents, Directors, honoured guests and members of the Empire Club of Canada:

It was Edmund Burke who said, "The only thing that allows evil to flourish is that good people do nothing."

The World University Service of Canada has, since its inception in 1939, been about Creating A World of Difference—by making a difference by doing something.

WUSC is a network of people and post-secondary institutions whose mission is to foster human development and global understanding through education and training. WUSC is active on more than 70 campuses across Canada and in 17 countries overseas. WUSC has been engaging Canadians and improving lives for more than six decades.

Health care, adequate food, HIV/AIDS, clean water and education are the challenges facing people in developing countries. They are so numerous and so pressing that it can seem difficult to pick just one to focus on.

Difficult, yes—but not impossible. At WUSC, education has been intrinsic to their mission since their inception, and it still is. They believe education is one of the best ways to build a more equitable world for everyone, because it's the most effective way to prevent poverty and illness—and, by so doing, improve people's quality of life.

Basic literacy is still lacking in almost 800 million adults around the world. Two-thirds of them are women, and more than 100 million are children living in sub-Saharan Africa as well as Asia. In response, WUSC and its partners are delivering a range of education projects as diverse as strengthening basic education for girls in Ghana, providing vocational training for youth in Sri Lanka, delivering more and better textbooks to schools in Malawi, and managing scholarships for students from the South studying at Canadian universities and colleges.

Dr. Alastair J. S. Summerlee became the seventh president of the University of Guelph on July 15, 2003.

President Summerlee, whose career as a scholar, professor, researcher and administrator spans nearly 30 years, joined the University of Guelph faculty in 1988 as a professor in the Department of Biomedical Sciences. He was named an associate dean of the Ontario Veterinary College in 1992, dean of graduate studies in 1995, associate vice-president (academic) in 1999, and provost and vice-president (academic) in 2000.

He has continued teaching while holding administrative positions and was awarded a prestigious 3M Teaching Fellowship in

June 2003 for outstanding leadership in teaching, education and academic program development. He is the only University of Guelph professor to earn the honour while serving as an administrator and is the first president-elect in Canada to be named a 3M Fellow. He was also recognized with a Distinguished Professorial Teaching Award from the University of Guelph Faculty Association in 1991. His research in biomedical sciences is acclaimed internationally and he has attracted significant money to support his research, published extensively and been an invited lecturer at universities and colleges around the world. He holds a BSc, BVSc and PhD from the University of Bristol in the United Kingdom and is a member of the Royal College of Veterinary Surgeons. In 2004 Dr. Summerlee received the Doctor of Laws (Honoris causa) from the University of Bristol.

Dr. Summerlee is the President of the World University Service of Canada.

Please greet with me Dr. Summerlee.

Alastair Summerlee

Mr. President, Mr. Chancellor, honoured members of the high table, members and guests of the Empire Club of Canada, I am truly honoured to be invited to join the illustrious group of speakers who have graced the Empire Club. As it is the oldest and largest speakers' forum in Canada, I am humbled to stand before you to speak about my two favourite subjects: the World University Service of Canada (WUSC) and the University of Guelph. I would like to thank Mr. George Cooke, President and CEO of the Dominion of Canada General Insurance Company and Past President of the Empire Club, for hosting this luncheon. Finally, I would like to thank everyone for attending today: the significant group of people attending clearly indicates the strength of support for WUSC and the University of Guelph.

I would like to begin with a quote from Sir Winston Churchill, a previous speaker at the Empire Club: "You make a living by what you get. You make a life by what you give." And it does not matter whether you subscribe to the view from the right of the political spectrum that "service is one of freedom's safeguards—it ensures caring is free from political control" or whether you believe in the maxim of the left that "we're all in this together," I think that we would all agree that being involved, improving the lives of others, is a critically important component of our society.

I wish to do three things today: to explain, for those who may not know, something about the history, function and the roles of the World University Service of Canada; to describe why and how the University of Guelph is involved and actively participates in WUSC activities; and to relate some of the new opportunities that WUSC is providing to enhance global citizenship.

The World University Service of Canada is making a difference in people's lives across the world and educating people at home and abroad about the challenges that face people in the developing world. Thanks to the work of WUSC more than one million people in Peru now have running water and sanitation in their homes and the daily income of many women in rural communities in Sri Lanka has improved. At the same time, through the actions of WUSC there have been significant improvements to civil society and governance processes in the Balkans. It is these three examples, and many others, that illustrate the way WUSC is creating sustainable development activities and projects in countries deeply scarred by some of the world's greatest problems: poverty, war and disease. And it is these three areas, which form the key focus for the activities of WUSC.

As a key non-profit development agency in Canada, WUSC receives more than 40 per cent of its funding from the Canadian International Development Agency (CIDA) for which we are very grateful. We have long focused our development efforts in a limited number of countries to ensure that there is critical mass to create the appropriate level of change that can be sustained but we are active in a number of countries and geographic regions across the world in almost every continent.

A considerable part of our mandate and mission is also devoted to education: education of people here in Canada to broaden the understanding of Canadians and to educate the people in developing countries about the challenges that they face and provide them with the tools to make a difference in their own lives. At home, there are more than 60 colleges and universities that belong to the consortium. On these campuses, the student chapters remain the cornerstone of WUSC. The chapters provide the focus to inform students about the challenges in the developing world and the anchor of many of the initiatives, which have made WUSC a unique non-profit development agency in Canada. One of the signature programs that WUSC provides is the Student Refugee Program. This remarkable program, which has been running for many years, seeks to place refugees from countries ravaged by war, poverty and disease in Canadian colleges and universities to complete some form of postsecondary education. There have now been more than 850 refugees brought to Canada in this way, which is a remarkable contribution as many not only settle and become outstanding members of Canadian society but also seek to work to improve the lives of others. But, perhaps what is more remarkable is that Canadian students host their refugee colleagues—not only do they provide the network and support for the refugee students, but also raise the funds to support the refugees. Each year, Canadian students raise more than a million dollars to support the Student Refugee Program in one way or another.

Every year, for more than 50 years, WUSC has run an international seminar program: an annual study tour where students from Canadian universities visit a developing country and gain first-hand experience of the challenges. For many, the international seminar is the first and formative exposure to the developing world and the experience has a profound impact on the lives of its participants. We count three former prime ministers of Canada, eleven past and present members of Parliament and senators, two sitting members of the Supreme Court of Canada and many, many CEOs and eminent members of Canadian society among the alumni from this program alone. This year, the seminar will be held in Burkina Faso.

So where is the connection between the University of Guelph in Ontario and WUSC? Perhaps to understand the path that has brought these two institutions together, it is necessary to understand a little of the background of the University of Guelph. Founded from three original colleges in the latter part of the nineteenth century, the University of Guelph was not officially incorporated as a university until 1964 but our alumni, our traditions and our values are deeply rooted in the activities of those founding colleges: agriculture, veterinary science and domestic science. From those days when the total number of registrants in the founding colleges was relatively small and the institution was located in a charming rural setting in the City of Guelph—a very considerable distance away from the City of Toronto—the University of Guelph has blossomed into the institution that it is today. Although the main campus still exists in the City of Guelph, we now have five campuses and 14 research stations spread across the province of Ontario. In fact, it takes 29 hours to drive from one end of the University of Guelph to the other—perhaps making us the largest-geographically-spread university in the Americas. In these five campuses we deliver a comprehensive range of programs and degrees to more than 20,000 diploma, undergraduate and graduate students.

Emanating from the caring attitude of the pioneering spirit—sometimes jokingly referred to as the fields, the barns and the kitchen ethos—the University of Guelph has developed a formidable reputation for its concern about education and students. In fact, we have consistently been ranked as the number-one comprehensive and mid-size university in the country in terms of spirit and caring and for the quality of our academic programs. The university also offers a remarkable program for distance learners. Last year, there were over 51,000 enrolments in our distance education programs. At the same time, the University of Guelph is also research intensive—we are the number-one comprehensive university in research. This past year, we brought in more than $145 million in research monies and published more papers, scientific reports and commentaries than other institutions in the comprehensive category. Again, there is a special sense of connection between the research and the ways in which we live our lives. Many of the areas of research at Guelph are nuanced by the real, practical challenges that we face in the world. In fact, we are building the largest biological-life science facility in Canada to help deal with some of these challenges—the environment, emerging diseases, and energy sources and efficient uses.

So the University of Guelph is clearly pre-eminent in teaching and research in ways that link with the aspirations and concerns of WUSC, but there is one other critical way in which the university and WUSC are linked. In a country where Statistics Canada reports that about 40 per cent of the population engages in meaningful volunteer activities, 70 per cent of students at Guelph volunteer in our community—a community that spans the world. We have students engaged in working with the homeless in Guelph, Toronto and Calgary, working with HIV/AIDS education in Guelph and sub-Saharan Africa, collecting for food banks in Guelph, building homes in Latin America, and rebuilding lives in Katrina-torn parts of the United States or in areas devastated by the tsunami. It is this spirit of caring about the peoples around us that brings the University of Guelph close to WUSC: together we represent a formidable combination. To provide an example of the level of activity in simply fund-raising at Guelph, we raised more than $500,000 towards various charitable causes in the fall of 2006 including the United Way, the Masai Project, Meal Exchange and the Guelph Food Bank.

Let me turn to the new opportunities for global citizenship presented by WUSC. There are two initiatives, which I would like to highlight: the Students Without Borders program and a program known as Leave for Change. The former provides opportunities for students to engage in in-depth learning experiences in developing worlds that can be used for credit in their home institution or for co-op experience. Work placements are organized and arranged in a number of different countries around the world—usually linked to development work being carried out by WUSC workers. Participants become truly immersed in the culture and society in which they work. They develop a real and deep appreciation for the peoples and the problems that they face. The program was first established a year ago and is remarkably popular among students. The challenge for the program is finding sponsors who support the students on these sojourns.

Leave for Change is a new venture in English-speaking Canada. In 2005, WUSC joined forces with its French counterpart CECI (Centre Étude et de Coopération Internationale) to form a collaborative partnership to support and enhance opportunities for volunteerism. This partnership created an organization, Uniterra, an international program that mobilizes partners, volunteers and the Canadian public to contribute to the Millennium Development Goal of reducing world poverty by 50 per cent by 2015. Once again, I need to acknowledge the fundamental role that CIDA has played in providing financial support for this very important initiative and for its programs. Uniterra fosters partnerships between organizations and networks in Canada and elsewhere to educate at home and abroad, to advocate at home and to volunteer abroad. The Leave for Change program promotes short-term volunteer opportunities in international settings where specific or non-specific skills are needed to complete or work on a meaningful and helpful project. Private and public sectors are asked to participate by making a financial contribution to the project and employees offer to volunteer their holiday time to work abroad. The University of Guelph will be the first university and institution in English-speaking Canada to participate in this program this year and I hope that other universities, publicly funded institutions, municipalities and private companies will wish to follow suit. There are many people in our society who want to make a difference and would be willing to use some of their holiday time to work for others in need. The experiences gained and the values learned are invaluable both abroad and at home. Uniterra now has volunteer opportunities in 13 countries around the world and the list of opportunities is growing.

So the important question, which I am sure is on everyone's minds, is what can I do to help? Let me say that many people and institutions do make significant financial contributions to development agencies such as WUSC. We are particularly grateful for the support of our programs and there are a number of people here today who have supported WUSC programs, but financial support for two key programs—the Student Refugee Program and the new Students Without Borders Program—would be especially welcome. WUSC also needs your support with advocacy: advocacy to support government programming such as CIDA which is a vital arm of the roles that Canada plays on the international stage and in support of persuading our governments to be more proactive in committing to the Millennium Development Goals. Finally, I would like to encourage you to think about participating in the Leave for Change program, either personally or through your company/institution. Think what a difference it could make to you, the people you work with and the people you would work for on the volunteer experience!

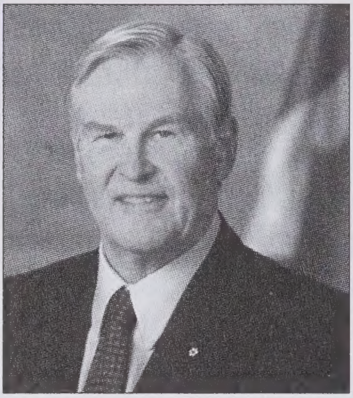
And I do have a reward for your patience in listening to me, today. I can invite you to Guelph to attend the Shakespeare-Made in Canada festival, which will run from January to May 2007. Centred on an exhibition at the Macdonald Stewart Art Centre at Guelph, where the Sanders portrait of Shakespeare will be on display, there is a festival of cultural events clustered around Guelph and Stratford over the next five months. The Sanders portrait, which is owned by Lloyd Sullivan, a native of Kemptville Ontario, is the only picture said to have been painted of William Shakespeare in his lifetime and has been subject to all the forensic tests possible to substantiate that claim.

You make a living by what you get.

You make a life by what you give.

Thank you for giving me the opportunity to speak at the Empire Club today and for listening to me. It is a pleasure and an honour to serve both the University of Guelph and WUSC, two formidable institutions that I have the privilege of serving.

The appreciation of the meeting was expressed by George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.



January 22, 2007

The Hon. Michael Wilson

Canadian Ambassador to the United States of America

CANADA-U.S. RELATIONS: OUR COMMON CAUSE AGENDA IN A PERILOUS WORLD

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

W. Iain Scott, Chair and CEO, McCarthy Tétrault LLP, and Director, The Canadian Club of Toronto; David Marshall, Grade 11 Student, Upper Canada College; Brenda Kulas, Senior Programme Manager, Industry Canada; Mary Deacon, President and CEO, Centre for Addiction and Mental Health Foundation; Dr. Reginald Stackhouse, MA, LTh, BD, DD, Principal Emeritus and Research Professor, Wycliffe College, University of Toronto, and Past President, The Empire Club of Canada; Janice Charette, Deputy Minister, Human Resources and Social Development Canada, Government of Canada; James Estey, President and CEO, UBS; Dr. Margaret MacMillan, Provost and Vice-Chancellor, Trinity College, University of Toronto; Jodi White, President, Public Policy Forum; Tony van Straubenzee, President, Rockhaven Consulting and Past President, The Empire Club of Canada; Diane Flanagan, Chief of Staff to the Honourable Greg Sorbara, Minister of Finance, and Chair of Management Board, Province of Ontario; Helen Walsh, President, Couchiching Institute on Public Affairs; Dominic D'Alessandro, President and CEO, Manulife Financial; Scott Jolliffe, Firm Managing Partner, Gowling Lafleur Henderson LLP; Michael MacMillan, Executive Chairman, Alliance Atlantis Communications Inc., and Past President, The Canadian Club of Toronto; and Noella Milne, Partner, Borden Ladner Gervais LLP.

Introduction by John Niles

Your Excellency, Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

At a dinner party in March 1988, Tony van Straubenzee asked a number of his friends to recommend speakers of note for his upcoming year as president of this club. Michael Wilson's father had been the president of the Canadian Club so as Tony was leaving the party Michael jokingly said to him, "What was the name of that club you said you were going to be president of?"

A few weeks later Tony received a call from Ottawa and this is what he heard. "Tony, this is Mike Wilson. I wonder if you could take a couple of friends of mine to dinner on June 21st. The friends were President Ronald Reagan and Prime Minister Brian Mulroney plus the high-ranking teams accompanying them at the summit meetings.

Just another day in the life of the president of the Empire Club—Sure!

I'm hoping for a call from him for President Bush and Prime Minister Harper.

When we were celebrating the 100th anniversary of the founding of the Empire Club, Tony asked Michael if he could call James Baker to come and talk about the war in Iraq. It happened.

So it's a very special privilege for us to welcome back such a good friend.

Anyone reading Reg. Stackhouse's book entitled "The coming Age Revolution—when growing older will be great" would have to look at Michael Wilson as the role model for the book. When His Excellency spoke to our two clubs in his capacity of Minister of Finance on Feb. 24, 1997, the Toronto Star wrote, "If Brian Mulroney was to shuffle his cabinet he would have great difficulty in replacing Mr. Wilson, who is just hitting his prime." So what is this—prime plus 1, 2 or 3?

We all know him as the architect of the GST, one of the negotiators of the Free Trade Agreement when he was Finance Minister.

Bay Street knows him as a former Vice-Chairman of RBC Dominion Securities and later Chairman of UBS in Canada, as well as a director of such companies as Manulife Financial and British Petroleum.

Educators know him as the Chancellor of Trinity College and the recipient of numerous honorary degrees.

The medical profession knows him for his extraordinary leadership in battling schizophrenia and other mental health problems.

The diplomatic community knows him as a senior statesman, a superb negotiator in such matters as the softwood lumber dispute, and a man with exceptional relationship skills.

His friends know him as a loyal, caring decent person who can always be counted on for support. They also know that he travels with his golf clubs at the ready. One of his less charitable friends said that he didn't receive his Order of Canada for his golf.

Ladies and gentlemen—His Excellency the Honourable Michael Wilson—Ambassador to the United States.

Michael Wilson

Normally in a speech like this, you will hear a discussion of the bilateral tensions and issues between Canada and the United States—how we are trying to settle our differences, how we are protecting the Canadian national interest.

But our embassy does good work in promoting our national interests by working with the United States on many global and hemispheric issues. That is what I want to focus on today.

We are separate, sovereign entities. We each have our national interests and priorities. Sometimes they differ, regardless of the government in office. But many times they converge, where our shared values put us side by side, where we work together in common endeavour.

That said, we of course have our own traditions and domestic political drivers. Our histories and formative experiences are different.

The management of this relationship is always a topic of great fascination to most Canadians. Sharing a continent with the world's preeminent military and economic superpower naturally makes most Canadians keenly aware of the bilateral relationship.

But our broad multilateral interests are often critical in setting the tone of the relationship and are essential to our work at the embassy in Washington and in Ottawa. How and why do Canada and the U.S. work together in the world? How and why does Canada pursue "common causes" with the U.S. globally?

So I want to focus this lens on areas where we both are seeking to shape a complex and perilous world and protect ourselves in it. At heart, my belief is that Canadians are overlooking this important aspect of our relationship.

We lose sight from time to time of how much Canadian influence is expanded and deepened as a result of working with our allies from all parts of the world—but especially the one closest to us, the country with which we of all others are intimately connected in so many aspects of our daily lives. Yes, they are the superpower and we aren't. That makes the range and possibilities available to the United States in shaping the international agenda very different from those available to Canada. That has its advantages, but also its disadvantages.

We must not diminish in any way the role we are able to play on the world stage. Prime Minister Harper recognizes this. Canada is now stepping up and taking principled positions on important issues facing the world. We are determined to show leadership on the world stage.

Over the years, Canada has been able to establish a strong and proud reputation internationally because we don't have the same range and possibilities as the U.S. We've had to rely more on diplomatic skills than the exercise of power. But, I would add, we've also been successful because we are seen as being closely connected to the U.S.

We are neighbours and we are friends and allies. We are alike but we are also different.

How does this affect us internationally?

Let us start with the globalized world in which we live. What Prime Minister Harper has said is true for both our countries. "The globe," he said, "is becoming a village. And virtually every significant challenge we face—economic, environmental, demographic, security, health, energy, you name it—contains an important, if not critical, international dimension."

So the question becomes—how do we position ourselves in addressing these challenges? In this globalized world, no country is an island—(to paraphrase John Donne)—not even those, which are islands. What are the areas in which the coincident interests, common objectives and shared values of Canada and the United States in fact reinforce Canada's policies internationally and support our national interests?

A little over five years ago, North America was attacked. September 11 changed the world forever. It vividly brought home a new reality: threats to global security and specifically to our security from terrorism. Since then, we have seen other terrorist attacks in Bali, Madrid and London, and foiled attempts in other countries—including here in Toronto last year. We are not immune.

Within months of 9/11, Canadian troops had teamed up with U.S. forces in Afghanistan. For the first time since the Korean War, Canada and the United States were standing together again in armed combat. Our common goal: to ensure that Afghanistan cannot and will not become a haven for terrorists plotting or executing attacks against our countries and our citizens.

Canada continues to play a key role in Afghanistan. We have commanded the NATO International Security Assistance Force. Our 2,500 soldiers have been at the forefront of this effort to stabilize this troubled country.

We are there in many other ways than military alone—as Canadian diplomats, development workers, experts in governance, and in policing. Reconstruction and development are tied inextricably to Canada's presence. In fact, Afghanistan receives more development assistance from Canada than we provide to any other country.

We are making progress—a testament to the will and fortitude of the Afghan people. A new Afghan constitution promotes the rule of law and respect for human rights, including those of women and children. Women now have the right to vote and girls can go to school.

Our troops and all Canadians in Afghanistan deserve our support and our prayers as they work to bring security and democracy to that country.

The importance of our presence, our contribution, and our sacrifice in Afghanistan does not go unnoticed, starting with President Karzai, who used the occasion of his visit to Canada last year to tell Canadians how grateful Afghans are for our help. And time and again, I hear from Americans from many walks of life, expressing their appreciation for our efforts. We are there because the Afghan government needs and wants us; we are there with 34 other countries because UN Security Council resolutions have united the world against the terrorists who had established themselves in Afghanistan. But fundamentally, we are there because it is in Canada's security interests to stop terrorism at its source.

Common endeavour is also very much in evidence in areas of nonproliferation and disarmament.

The possibility of terrorists or rogue states obtaining weapons of mass destruction is a growing risk and must remain one of our central security objectives.

Here we stand four-square with the United States and other allies in trying to stop or roll-back this threat—nuclear, chemical or biological—in the G-8 and the International Atomic Energy Agency, particularly on the challenges posed by North Korea and Iran.

And one of the most significant areas of our common endeavour to reduce the threat of proliferation is the Global Partnership Against the Spread of Weapons and

Materials of Mass Destruction, established by the G-8 in 2002. The United States and Canada have taken a leadership role in this.

The Global Partnership is not only directed towards stopping the spread of weapons and weapons-making knowledge and materials. What is particularly notable is that it results in actual disarmament—actual destruction of stockpiles of chemical weapons held by the former Soviet Union and cutting up nuclear-powered submarines and disposing safely the fissile material in the nuclear reactors to prevent terrorist acquisition of this dangerous material.

In all these areas, the embassy plays a key role in advancing this agenda with the U.S. We also highlight these Canadian contributions on Capitol Hill among think-tanks and with the media to show how Canada is playing a real, tangible and substantive role on international security issues. It also means intervening regularly in the policy-making process. For example, during the current Iraq debate, we have worked to ensure that decisions on Iraq would not compromise the U.S. commitment to Afghanistan.

Indeed, we are working with the U.S. to press NATO partners to add troops.

Let me turn now to Latin America and the Western Hemisphere.

Until recently, Canada did not pay sufficient attention to our hemispheric neighbours. This is changing. The government has stated its intention to accord a greater priority here, to a region where we have significant political and economic interests.

Indeed, Canadian investment in Latin America has tripled over the last decade to $96 billion, exceeding what we have in Asia.

Clearly we have an obligation to our citizens and also to this region. Our North American neighbours welcome our increased interest and have high expectations of an active partnership. This is a region where we can work with the U.S. and Mexico as partners.

What are our objectives? What you would expect. To consolidate democratic gains and strengthen freedom, human rights, governance and the rule of the law; enhance security; and protect and grow our economic interests.

As we have seen with the numerous recent elections in Latin America, there is nearly universal democracy but an urgent need to strengthen institutions. There is an active civil society but also a rise of populism and authoritarianism. Poverty is declining, but socio-economic exclusion and gross inequality still persist along with signs of returning protectionism.

Overall, we and the U.S. share common objectives here.

So how do we work together?

We can work together to strengthen regional organizations, particularly the Summit of the Americas process and the Organization of American States, which we have increasingly used as the vehicle for our assistance to the region. Here we work closely with our embassy to the OAS, which is co-located within our main embassy—and we both are in constant contact with state department and other Latin American organizations in Washington to develop views on how Canada can advance this agenda.

Indeed just last week I hosted a working dinner where a number of experts discussed ways in which Canada could make a difference.

Similarly with the Security and Prosperity Partnership with the U.S. and Mexico. At the embassy, we seek to advance thinking on five priority areas agreed by the leaders in Cancun last year: economic competitiveness, co-ordination on pandemic influenza responses, energy security, emergency management and smart, secure borders.

Prime Minister Harper will host the third summit later this year.

In the Caribbean, Canada and the U.S. will continue to play lead roles in the UN-mandated efforts to support Haiti's slow recovery process. Last week, following regular interactions with the embassy, the state department held a high level consultation with Canada to review our respective policies. In addition, we can both encourage and help the Cuban people to decide upon their own future, encouraging support for democracy and economic freedom.

The embassy has been active in pursuing this issue with different policy makers in Washington and in the States on how best to support the Cuban people in this uncertain time. Our engagement and the engagement of the embassy represent the best in common cause issues: how Canada can pursue its perspective and approach and how we can work together towards a common objective. We can both engage Venezuela, Nicaragua and Bolivia and explain why open and transparent market practices are the better avenues for long-term stability and prosperity.

In addition to strengthening the Organization of American States, we are working together to promote the implementation on international instruments against corruption, narco-trafficking and organized crime.

Common endeavour abroad with the U.S. extends also to trade. Underlying our co-operation is a common belief in the benefits to be derived from trade liberalization and the merits of a rules-based trade system.

In the World Trade Organization, Canada and the U.S. seek the same objective: a broad-based and ambitious outcome to the ongoing Doha round of multilateral trade negotiations as the best opportunity for developing countries to secure economic growth and alleviate poverty.

There are some clear differences in our negotiating positions. But, by and large, because of our advanced economies and similar economic structure, we share much common ground.

In the energy field, Canada and the U.S. have a strong relationship, with the U.S. being the world's largest energy producer, consumer and importer, and Canada the largest foreign-energy supplier to the United States of oil, natural gas, uranium and electricity. We both see eye-to-eye on the importance of a market-based approach to energy resource development—our oil sands being a great example, growing from a pipe dream in the early '80s to production today of a million barrels a day, on the way to three million or more by 2015.

We see increasing amounts of oil and natural gas production being controlled by government—Russia, for example, using its energy strength for wider geo-political ends. Also nationalization by Venezuela, Ecuador and Bolivia.

At the recent G-8 meeting in St. Petersburg, Prime Minister Harper succeeded in getting the market-based approach to energy resources development agreed in a number of important texts.

In our approach to environmental stewardship, the United States and Canada both afford an important role to technology and innovation as important means of addressing global challenges and finding solutions. For example, we are already partners, along with other countries and the private sector, in the Weyburn project in Saskatchewan to study the possibility of capturing and storing carbon dioxide in geological forms such as oil fields.

Another area of multilateral co-operation where the embassy has been active has been the preparedness for pandemics. Canada and the United States are concerned about the potential for a human influenza pandemic that would have significant global health, economic and social consequences. Canada, drawing on our SARS experience, and the United States have worked together to raise international consciousness and preparedness for another pandemic.

While the pandemic threat is global, the co-ordinated response must be also at the regional and country level. And in this regard, Canada and the United States have each developed its own Influenza Pandemic response plans, which are continually updated and shared. We at the embassy follow this issue closely.

I would like to add a final area of common endeavour—one closer to home. It is directed towards the most important responsibility a government has. That is to protect and defend the freedom, independence and sovereignty of our two countries.

NORAD is an emblem of common endeavour. It stands for shared strategic vision for defence of the continent, shared decision making, and unrivalled interoperability of our personnel, radars and aircraft.

NORAD is evolving in the post 9/11 world. Last year, we renewed the NORAD agreement in perpetuity, ending the previous five-year cycles. The new agreement gives NORAD added responsibility for maritime warning.

We have a proud tradition and history of Canada-U.S. defence co-operation—arguably the most complex in the world. Over 80 treaty-level agreements, and more than 250 memoranda of understanding.

More than 600 members of the Canadian Forces serve in the U.S. and on exchange with U.S. forces. Canadian Forces have the distinction of being the most interoperable with the United States of any of the NATO allies. We train together, patrol together, serve together.

The Defense Development and Defense Production Sharing Agreements manage defence industry trade, and the related research and development—approximately $2 billion in trade flows annually. We are an integral part of the U.S. defence industrial and technology base and the largest foreign supplier, contributing to both economic growth and jobs on both sides of the border, and to the interoperability of our forces in the field. One example is the current Joint Strike Fighter project, supporting interoperability but also access to up to $8 billion in industrial participation opportunities.

The embassy in Washington plays a key part in this activity. We have an active and robust Defense Liaison Office, which interacts daily with our Department of National Defense on policy and operational issues, including co-operation on Afghanistan.

I myself have already visited NORAD twice, and the AWACS base in Oklahoma once, to underscore the importance Canada attaches to this relationship. The embassy has taken a lead role in addressing the current ITARS problem, in defence procurement, and tomorrow, we host a visit of the Minister of National Defence to his new U.S. counterpart. On Capitol Hill, our job is to make members of Congress aware of the significant Canadian role in defending the continent and our major contribution to the campaign in Afghanistan.

Before I conclude, I want to come back to perhaps our greatest personal and economic common cause—"daily" life along our shared borders—whether it be truckers delivering auto parts between Windsor and Detroit, day shoppers travelling between Montreal and Plattsburg, or friends and family making a spontaneous trip across the border to visit one another in Toronto or Buffalo or Vancouver and Bellingham.

The shared protection and mobility across our shared border is our most important economic bi-lateral common cause issue with the United States. After all, the border is not an imaginary line across the 49th parallel; it is an ever-evolving complex entity that interconnects our lives, our economies and our continued prosperity.

Canada has seen a gradual thickening of the border over the past four years, initiatives that jeopardize our long-standing commercial and people-to-people connections.

Recently we have seen measures introduced in food inspection and the Western Hemisphere Travel Initiative (WHTI)—the new passport rules—both initiatives which, if not implemented carefully, will undermine the foundation of NAFTA, the backbone of our economic integration, as well as our 140 years of shared friendship and family connections.

The air rule for WHTI will be implemented tomorrow. I expect this will go smoothly since passport usage is around 95 per cent and the U.S. intends to demonstrate flexibility in the implementation.

And while land and sea implementation is still 11 or potentially more months away, we are still encouraging the U.S. to take all of the necessary time required to get this right. We cannot rush into this and have a "cold turkey" implementation without appropriate flexibility and phasing-in. But we are encouraged by recent indications that the Administration and Congress may be more flexible in the implementation of WHTI related to land crossings.

Let me conclude.

I've said on a number of occasions the paradox of the Canada-U.S. relationship is that the steadier it is, the more attention is given to any difference that may arise between us.

Yes, we've had disputes. I know when things are bumpy, having lived through the softwood lumber issue. But we solved it.

And yes, we have a problem in the defence co-operation realm. And we're working to solve it.

My point to you is that, if you overlook those areas where things are smooth, you miss the fundamental nature of our relationship. You are looking only at the occasional blemish on the skin, not grasping the basic sinews that connect our two countries—and that give us important strengths and advantages.

You also risk overlooking how Canada's international agenda is supported and how national interests are furthered by our common cause endeavour with the United States. And that, to me, would do not just a disservice to our neighbours to the south, and our bilateral relationship, it would also impede reaching our national objectives as a country.

So whether it is Afghanistan, weapons of mass destruction, the Western Hemisphere, trade, pandemics, energy and the environment or the defence of North America, there are many ways where the national interest of the United States and Canada converge. This brings real meaning to a recent observation of a senior member of the U.S. Administration, "We often speak of our two countries as being friends, neighbours and allies. Canada is also a good and reliable partner."

Thank you.

The appreciation of the meeting was expressed by Noella Milne, Partner, Borden Ladner Gervais LLP.

The Hon. Michael Wilson, Canadian Ambassador to U.S.A., and Dr. John S. Niles, President, The Empire Club of Canada.

January 25, 2007

Dr. Alan R. Hudson

Lead, Access to Services and Wait-Time Strategy, Ministry of Health and Long-Term Care

WAIT-TIME STRATEGY

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada; Ena Vukatana, Senior Student, North Toronto Collegiate Institute; Reverend Canon Philip Hobson, Incumbent, St. Martin in-the-Fields Anglican Church, Toronto; Hilary Short, President and CEO, Ontario Hospital Association; Dr. Terry Sullivan, President and CEO, Cancer Care Ontario; Dr. Robert Conn, President and CEO, Smartrisk; Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada; Michael Decter, Founding Chair, Health Council of Canada; Janice Skot, President and CEO, Royal Victoria Hospital, Barrie; and George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

It was Rex Murphy, who, when speaking at the Empire Club in December of 2001, said, "Health care in this country is a doctrine before it is a policy. It is not the third rail of Canadian politics. It is the back-up generator of Canadian self-understanding. Health care is the surrogate or default mechanism of Canadian patriotism."

And it was Chief Justice Beverly McLachlin, who will be speaking in a few weeks at the Empire Club, who said, "Access to a waiting list is not access to health care."

Without a doubt, health care has been and will continue to be an important topic and wait times a hot button issue in our country.

So who better to deal with this than Dr. Alan Hudson? Besides the enviable success as a health-care leader, primarily as President and CEO for 10 years at the University Health Network (UHN) in Toronto, Dr. Alan R. Hudson is a neurosurgeon whose many awards and professional activities have helped to establish him as a world-class researcher and authority on the peripheral nerve. He has authored definitive books on the subject and has more than 130 publications. He has made numerous presentations, including keynote addresses for major professional associations and universities. He has held key appointments, such as President of the Society of University Neurosurgeons, President of the Canadian Neurological Society and Honorary President of the World Neurosurgical Federation.

Between 1979 and 1989, Dr. Hudson chaired the Division of Neurosurgery, Department of Surgery at the University of Toronto, prior to which he was Professor and Associate Chair, Department of Surgery, and Head, Neurosurgical Division, at St. Michael's Hospital.

During this time, he and his colleagues performed the world's first sciatic nerve transplant in September 1988. With a degree from the University of Cape Town, Dr. Hudson also holds many honorary degrees and fellowships. He completed a research year at Oxford University as a McLaughlin Fellow, an AMP from the Harvard Business School and has served on many boards. Born in Cape Town, South Africa, Dr. Hudson was made an Officer of the Order of Canada in 2000 for service to health and medicine.

Please greet with me Dr. Alan Hudson.

Alan Hudson

Well thank you very much. I accepted this invitation with some enthusiasm until I read the list of distinguished individuals who had addressed this club over the past many years and all I can say is that I'm extremely honoured to be included in that company.

So, where does this lightening rod of wait times come from in the Ontario context? It started in September of

2004 at a federal-provincial meeting in Ottawa where all the premiers got up, regardless of political stripe, and said, “Wait times, wait times, wait times.” They all nominated the big five—cancer, cataract, cardiac, hips and knees, MRS CT—which you all recognize as the things that baby boomers want fixed. So that’s where it started for us and in December of the following year George Smitherman announced targets for Ontario for wait times. These targets are as good as or better than those agreed upon across this nation. So that’s basically how we started.

What was the international and the national situation when Ontario started? Well most countries and some provinces were way ahead of us. We’ve had help from Scandinavia, the U.K., Australia and New Zealand. In this province, the only data we had of any worth was from the Cardiac Care Network. Saskatchewan had borrowed that methodology and expanded it to a wait-times strategy and we borrowed it back. So that’s how we got started.

I was appointed advisor to the Premier and the Minister of Health of this province, but I want to stress that today I am speaking on behalf of thousands of individuals. These are the nurses, anaesthetists, surgeons, administrators, bureaucrats and politicians, who have all been involved in this mammoth change process. There’s been a little bit of confusion in the last few weeks—challenges to the integrity of the data; people don’t understand the data flow. There’s even been a suggestion, a laughable suggestion, that we have not made any progress at all. So I think the theme today is truth, truth through facts. Wait times are a symptom of complex structures. If they work well, wait times come down; if they don’t, wait times go up. The first flash was that this was not about wait times; this was about health-care systems and it was about even more than that.

We looked around Ontario and found that we were in a pre-industrial revolution situation. In this province when we started, there were 150-odd craft shops, independent, you know them as hospitals, way, way behind the times, with regard to any significant activity with IT. What about cost generation? If you're a patient, say with mild hypertension, your physician may ask you to come back once a month in a fee-for-service situation, or may ask you to come back once a year. I'm not too sure many of your companies would allow a 12-fold variation in cost generation but that's what was going on. What about quality? Well if you have to have your lung out, at one hospital in Ontario the death rate is about 14 per cent; at another hospital it's 3 per cent. I wonder how long Toyota would stay afloat if they allowed that range of quality and safety outcome and we're dealing with human beings. What about efficiency? Well we looked around and were amazed to find that even in some famous hospitals quite close to here, for the first case of the day time was not measured. The reason that's so important is that if that first case is delayed, you end up cancelling the last case and hence your efficiency deteriorates.

I think the best summary statement I can make, to my absolute amazement, is that we discovered that 50 per cent of the surgeons in this province could not launch Internet explorer. I have 12 grandkids, they all have Web access, so the truth of this initial scan was plain; we had a huge problem of significant dimensions and the government decided that we were going to fix it. So what do we do? On the accountability issue we asked where this health company spent about $35 billion a year. Very few of you in this room are in companies spending that much money. Who was in charge of wait times? That was easy—no one.

I would go to a hospital board meeting and say to the board chair, "Tell me about the wait times in your hospital for the big five?" They didn't know. Then I'd say, "Why don't you know? This is fairly fundamental information." I was a little frightened because virtually none of them knew. When I was a neurosurgeon the only person who knew my wait times was my secretary. My partners didn't know, let alone the hospital, let alone the province. So the first manoeuvre was to place accountability with the boards of the hospitals, which meant the CEO had to be able to answer the question I just posed. They got that information from the surgeons. This has worked extremely well. It's at a point at which the contracts are now signed and of course accountability determined.

The next piece we had to put in place was the question of specific financing. Many of you will not know that the way hospitals in Ontario are funded is with a global budget. You're given a sack of gold and you're told to run the hospital for the year. You appreciate your incentives to treat just one patient. If you feed two, you'll simply double your cost. There's no profit; there's no margin. Now working in that hospital, for someone like myself on fee for service, my incentive is to do as many cases as I can. I don't know how many of you work in companies where the fundamental incentives are diametrically opposed to one another, but that was what we found.

This is the way we modified it. Just think of cataracts for example, from that global budget. At the hospital, a certain number of cataracts were done. I have no idea how that number was derived because there's no system. Well we froze that number and that became the base. We said, "Overpaying 750 dollars a cataract case, full price, how many additional cataracts do you wish to do? This is a voluntary contract." This system has worked extraordinary well.

The next piece was introducing expert panels because we had to have answers. What was the appropriate target for a cataract patient? How long should he wait? Did it really matter if he waited three more months? Would he get a worse outcome? These expert panels were extraordinarily helpful in advising. They were not bargaining. They consist of numerous experts, mainly physicians and nurses, and this has been a huge success. In addition, we have coaching teams, which go from hospital to hospital, essentially helping hospitals improve their through-put. In the narrow sense, these expert panels are doing what I describe. In a broader sense we have created hundreds of leaders, particularly physician leaders around this province, to help produce big changes. In the very broad sense, we've linked hundreds, in fact, now thousands in this province to the bureaucrats and to the politicians in a rather interesting form of government. It's worked extremely well.

With regard to the focus dollars, these are new cases, these are add-on cases, these are not substitute cases, so obviously we need new dollars, particularly when paying full price. In less than two years we have $614 million devoted to this cause and if you add in bulk purchases of MRI CT, we have in fact received about a billion dollars in two years. This is a huge contribution. This is your tax dollars. You are waiting to see what your ROI is and I'm going to show you what happened to the wait times in a few minutes.

The key part to this of course is IT—data collection, analysis and reporting. We thought this would probably be easy because every one of the separate hospitals said we must have a single IT arrangement in this province. When we started, we were working off data two years old. When you look on the Web site now, with the new intermediate system in play, you're looking at data two months old and we are actually going live as we speak, with the main electronic system, which will give us data two days old—a huge step forward for this province.

The data goes from the surgeons to the analytical office, which happens to be at Cancer Care Ontario, and is then transmitted to the public Web site. If a single politician or a single bureaucrat puts a single finger on one digit of the reams of material on that Web site, I would resign. No one is manipulating any data. The data is what it is. From the start, we've always said the good, the bad and the ugly goes up and that's exactly what happens. So you'll see wait times getting worse in some hospitals, obviously not the majority, but there is no manipulation of that data.

Let me move on to show you what you want to see. What is a wait time? For the patient there's only one wait time—from the first symptom until the last treatment. Within that there are about seven or eight wait times which we have to measure to see where the choke points are. Every country in the world has started by measuring from the decision to treat. Someone looks in your eyes and says, "You have a cataract," and you say, "Yes I'll have it fixed." When you have it fixed is the end of where we're measuring. When I say wait times, that's the interval to which I'm referring. Now we've already backed up from that one. We've backed up to measuring waiting to see the specialist and then of course further back, waiting to see the primary care person.

Let me now show you what your tax dollars have done. On the right side is a star, which is the announced target. You can see where we started; you can see where we are now; you can see the trend line. We will hit the target when we report in April and my guess is we'll probably go under it. That is a fantastic accomplishment. All you have to do is to ask these patients, and there are thousands of them, who are now getting treatment in a much more reasonable time. This is a tremendous tribute to all those involved in delivering these services.

If you were a patient at a hospital with a very long wait time, you don't care what's happened to the provincial average. You care about yourself. We now have data by LHIN (Local Health Integration Network) and by hospitals. We now need to smooth these out so that patients have equal access regardless of where they live in Ontario.

Here's the same data; just a different format. On the vertical axis you can see the number of people treated and across the bottom, weeks waited. The blue line is the original curve and the magenta line is what's happening today. You can see a big shift to the left. In other words, a lot of patients have been treated in a relatively short time. You can also see we are moving towards the target I showed you previously, and we will get there very soon.

Here's the story on hips. When we started we thought this was impossible. The anecdotal evidence was that there was an enormous backlog. However through an enormous effort and enormous stress, there has been almost a 50-per-cent increase in volume. New cases, add-on cases, not substitute cases. You'll see that we're missing the target on that projection but the Premier recently announced additional funding, additional cases, and we're hoping to bend that line down so that when we report in April, we will have got to the target and that is just a fantastic result of the incredible amount of work of thousands of people in this province.

Now here's the cancer story. First you look where the star is. You'll see that cancer has primarily been below the target all along because hospitals naturally have been prioritizing cancer. You'll also see a little bit of a drift up there. Yes, in some hospitals cancer waiting times are going up. Isn't it marvellous we can actually measure it now and do something about it because in the tenure of the previous government there was no measurement system and hence you wouldn't even have known this. Now we have the ability to analyze the data in the 10 areas of surgical oncology. We know which three are causing the trouble—neurological, thoracic and gynaecological. We can look at this data, by hospital, by LHIN, so we know in which hospitals we have a problem. The government can now institute a remedy and as this goes on over time that's exactly what will happen. So this again is a big step forward. We can actually measure this as we move along.

Here's a summary. The intent is to get the blue out to the periphery and you can see with cancer surgery and bypass surgery, we are there. We will be in April on target for cataracts. To my amazement we will be on target for hips. We will not hit the target for knee replacement in April; we'll hit it a bit later. We've now discovered that you'd have to do about three knees for every one hip, which we didn't know going in. We've made very significant improvements in MRI CT with an enormous number of extra examinations being done but you can see that is where the challenge remains. This is such a challenge for many countries and for many provinces, that they don't even measure it, but we are making good progress in this regard as well.

Now let me move away from the results and say how well this has worked in the short term, to get through the backlog. We have now moved to the real change, which of course is the introduction of systems. We have to produce systems, if we're going to get any of the efficiencies and hence be able to afford our future. I only have time for one so I'll mention the hip and knee program in this LHIN, in which we're sitting, where six hospital CEOs and 26 orthopedic surgeons have signed onto a program. Two years ago, they would not agree on the day of the week. They're all now moving in a combined effort to try and produce better care for our patients. So the way this works is you phone 1-800-HIPS and you're assigned by protocol to a work-up team, which does not consist of orthopedic surgeons. This consists of nurse practitioners, occupational therapists, physical therapists and so on. By protocol your tests, your studies are done. You don't have to go around looking for them yourself. If you get enough points, you're seen by an orthopedic surgeon with a view that hopefully they will operate on 80 per cent of the patients they see. You want to leave that top piece because that's a judgment piece. That is better than operating on approximately 20 per cent of the patients they see now—a huge jump in efficiency. In the United States, orthopedic surgeons are in the operating room about 66 per cent of the week; in Canada, about 30, a huge opportunity for improvement. The patient is looked after throughout the process and of course, very importantly, returned to the community on the rehabilitation side. We are looking to very significant improvements in wait time.

To institute the systems I've described the key is that we must recognize the truth. We have a shortage of non-MD health-care professionals—nurse practitioners, occupational therapists, MRI techs, and so on. Much of our problem will be solved if we pay attention to this component of the human relations challenge. Now are there any challenges in this? Well of course there are. This is a huge challenge to medical hierarchies, to power structures, to the way medicine is being practiced. Let me just mention two categories. There are many, many more. I mentioned some of the challenges for physicians and some for patients. For physicians, there's a very big governance issue. If your company's board passed a strategy and a few weeks later you got a letter from some of the employees saying they didn't feel like doing it, I wonder what would happen to them. You know what would happen to them. You have to realize physicians do not work for hospitals. They do not work for LHINs. This issue of governance has to be debated. There are many solutions but the status quo is obviously completely unacceptable.

Another challenge for the physician is the tradition of personal referral. Many of you may think you've researched your surgeon. You don't know his results. You don't know his complication rates. You don't know her infection rates. You don't know all the key things that you would normally use to make a rational decision. You wouldn't possibly buy a house with that lack of information. The public is now demanding that information. This again is a challenge. When I flew back from London the other day, I didn't know the name of the pilot, but I did know that he'd been very well trained and retrained on the ground and the air, particularly when he changed equipment. I was tested once and I introduced a lot of technology I was never tested on. Once again, very significant changes need to come very quickly. The present system means you only fly on an airplane if you know the pilot's name. Guess what? You can't organize an airline that way. Guess what? You can't organize medicine that way.

What about the challenges for the patients? We've been talking about supply and capacity. There's a very big part to this, which of course is demand. Demand and control. Self care of patients will become more and more important to reduce demand, obesity being a very obvious example and underlying much of what I've been talking about. The expectations and demands of patients driving so much of this really have to become more realistic and instead of demanding more money and more doctors, the public should demand more data and more information. Some of this is counter-intuitive. If you look at expenditures in the States by state for public patients and look at the quality of results and output, you'll find that the states that spend the most have the worst outcomes. This is an inverse relationship. How is that possible? Well there are a lot of studies that show that in fact most of this is related to idiosyncratic behaviour of physicians ordering more consultations, more tests, more expense resulting eventually in poorer quality. Does the public of Ontario know that? The answer is no.

Finally, patients, the public, will have to avail themselves of screening techniques that were introduced into this province, most recently colon screening techniques this week. That is one of the four big cancers. It is a preventable cancer and so we hope that patients will do their part in reducing this wait time effort by helping us reduce demand for surgery.

So what's next? What do we do once these projects are now completed? Obviously we have to expand and we have to diversify what we are measuring. Firstly we have to get equality of access for all patients and all LHINs. Some LHINs are getting better, others worse. That's inappropriate for this province. The government has announced that it is moving to all surgeries. That process is underway.

We will now measure wait times for gall bladder, shoulders and so on. We have proposals, which the government is considering, and they will look at the introduction of these programs beyond the big five, in accordance with the public purse.

Let me conclude. I'm non-political and non-partisan. Therefore I will conclude with a few political remarks. You have to ask why previous governments have not done this. I mean it is so obvious. Could you imagine banks, airlines, retailers, working at the level we've been working at, from an IT point of view? Why haven't they done this? Were they afraid that they couldn't actually get a single IT program through this province? It has now been accomplished. Were they afraid of what they might find, because of course once you have found it, you have to do something about it? Which groups, interest groups, self interest groups, have not pushed this along? Who's worried about this data coming out and being part of a public transparent process so that patients are empowered to look after themselves and to make choices. Interesting questions. Let me say this in a non-partisan way and I mean it. This could have been a financial disaster. We all know of IT programs and programs of this dimension that have failed, whether it's in banks, or in public service. It has of course been a big success. This was a huge political risk. That risk was taken by Dalton McGuinty and by George Smitherman and on a values-based determination. We measure things and report transparently. They deserve a huge amount of credit. On this file, these two gentlemen have done more than the previous governments put together. The outgoing president of the Canadian Medical Association stated Ontario was a laggard. We are now the leader. We are now the leaders in this country. Let me also tell you that a colleague of mine, the surgeon chief in Ottawa, last week told me that for the first time he now knows each of his patient's waiting list, how many are waiting. He can now actually run the department for which he's responsible. He told me this was the greatest thing since sliced bread. Interesting concept for a surgeon. So I hope, by giving you some of the facts and keeping away from the political rhetoric, you can see that your tax dollars have resulted in a very, very substantial improvement.

We have a huge way to go yet. We are obviously not perfect. We are happy to receive criticism. But this has been one of the most exciting changes in this province. It is a foundation now on which you can add module after module and I really give tribute to the thousands in this province who have joined together to make this happen. Thank you very much.

The appreciation of the meeting was expressed by George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.

Michael Decter, Founding Chair, Health Council of Canada, and Hilary Short, President and CEO, Ontario Hospital Association.

February 15, 2007

Mary Simon

President, Inuit Tapiriit Kanatami

THE INUIT IN A CHALLENGING WORLD

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sylvia Morawetz, Principal, S.A.M. Solutions, and Director, The Empire Club of Canada; Duane McKenzie, Senior Student, George Harvey Collegiate Institute; Reverend Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Paul Wells, Columnist, MacLeans Magazine; Susan Aglukark, OC, Singer/Songwriter; Clint Davis, National Director, Aboriginal Banking, BMO Bank of Montreal; The Honourable David Ramsay, Minister of Natural Resources and Minister Responsible for Aboriginal Affairs, Government of Ontario; Charles S. Coffey, OC, Director, Arctic Children and Youth Foundation, and Director, The Empire Club of Canada; Ivan Wawryk, President and Project Director, Nasittuq Corporation; Jim Moore, Executive Director, Inuit Tapiriit Kanatami; Dorene Seltzer, Chair, Seltzer-Chan Pond Inlet Foundation; Frank Suraci, Director, Aboriginal Business, Siemens Canada; and Catherine S. Swift, First Vice-President and President-Elect, The Empire Club of Canada, and President and CEO, Canadian Federation of Independent Business.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

In preparing this introduction for our distinguished speaker today, the relatively brief research I did showed me how little I really knew about our Inuit fellow Canadians. For instance, I did not know that the Inuit population is the youngest in Canada, and that their birth rate is twice as high as the average Canadian birth rate. These facts mean that health issues and other needs of Inuit are different from those of other aboriginal groups. Inuit have a very unique cultural identity that is significantly different from other aboriginal peoples in Canada. According to the 2001 census, about 70 per cent of Inuit can carry on a conversation in Inuktitut, and Inuktitut is one of only three aboriginal languages in Canada that is expected to survive over time. It was also interesting to discover that the establishment of Nunavut is viewed internationally as a very positive role model by other countries around the world. Clearly, there are many interesting aspects of Inuit in Canada that we all should be more aware of.

I am very pleased that our speaker today, Mary Simon, will be bringing us up to date on the current state of Inuit in Canada and the challenges they face. If I were to read all of Mary's bio, she would not have any time to speak so I have just chosen some highlights. Mary Simon is the President of the Inuit Tapiriit Kanatami, which is the national organization representing Canada's Inuit. Her life's work has been to gain further recognition of aboriginal rights and promote the study of northern affairs. She was the Ambassador for Circumpolar Affairs at the Department of Foreign Affairs and International Trade from 1994 to 2003, was the Canadian Ambassador to Denmark from 1999 to 2001, and has held various positions with the Inuit Tapiriit Kanatami, being elected President in July 2006. She has received many honours for her leadership, including the Order of Canada, the National Order of Quebec, the Gold Order of Greenland, the National Aboriginal Achievement Award and the Gold Medal of the Royal Canadian Geographical Society. She has also received honorary doctorate of law degrees from McGill, Queen's and Trent universities.

Please join me in welcoming Mary Simon.

Mary Simon

Ladies and gentlemen, thank you for such a flattering introduction.

It is a pleasure for me to be here today. I would like to thank our sponsors, the Bank of Montreal and Siemens Canada, for making this possible.

To begin, allow me to quickly provide a bit of geography for those of you who may not be totally familiar with the Inuit regions of the Canadian Arctic. Within the political boundaries of the Arctic, the Inuit occupy four distinct regions. From west to east these are Nunakput (the western Arctic); Nunavut (the central and eastern Arctic); Nunavik (northern Québec); and Nunatsiavut (northern Labrador).

All of these Inuit regions have now completed comprehensive land claims agreements. These include the James Bay and Northern Quebec Agreement, the Inuvialuit Final Agreement, the Nunavut Land Claims Agreement, and the Labrador Inuit Land Claims Agreement. The Nunavik Land Claims Agreement covering an area offshore of Québec and northern Labrador has recently been signed. This will be the fifth comprehensive land claim signed between the Inuit of Canada and the Crown. The full and complete implementation of these agreements will be a continuing priority for Inuit.

These land claims agreements provide the Inuit in Canada with the capacity for shaping our lives and developing our lands. We own large parcels of land outright, some with full subsurface rights, and share in the management and benefits from natural resource development. We have access to investment capital and we are using it. We own airlines, fishing companies, transportation companies, service industries for oil and gas development and are joint venturing various business enterprises.

As leaders, we now also carry a great responsibility to use this capacity wisely and effectively. This is what I would like to discuss with you today: how we can all work together to improve the lives and well-being of northern residents while at the same time promoting the sustainable and equitable development of the Arctic.

Let me be clear at the outset. I firmly believe that a prosperous Canada—a Canada that will continue to show leadership based on the core values of democracy and humanity—must engage itself in ensuring that the Arctic and its peoples are also prospering.

One of my responsibilities as President of ITK—the national voice of Inuit in Canada—is to reach out and encourage partnerships and collaboration. Canada is an "Arctic Nation." The Arctic should not be an afterthought. It is a vital part of our country and its peoples contribute to the cultural and social diversity that we value so dearly.

But what do Canadians themselves know about the Arctic and its peoples?

Hardly a day goes by without a distressing story from the Arctic about a suicide or an act of violence. Many of you likely read the recent sobering front-page piece in the Globe and Mail—"In Nunavut an Epidemic of Violence and Despair." It would be comforting if I could suggest to you that the statistics recited were exaggerated. They are not.

There is however another side to this story. You may have read my Counterpoint in yesterday's edition of the National Post, trying to convey this precise point. At the same time, many Inuit are healthy and working very hard to re-build the vibrant society we once had and continue to value. We are looking to the future with hope and enthusiasm and are working to build a confident population and a self-sustaining economy.

I have always tried to look at challenges holistically. From this perspective I see immense possibilities along with many challenges.

Any strategy for promoting social, political and economic development must start with understanding these possibilities and challenges. Let me explain.

We have vast natural capital in renewable and non-renewable resources. Exploration and exploitation of this natural capital is really just beginning. Our challenge is to ensure that development is sustainable and that a fair share of these benefits remain in the Arctic, at the community, regional and territorial levels.

The resource management structures created by our land claims agreements provide Inuit and northern governments with a measure of control over how our lands and resources are to be developed.

For example, at the local and regional level, developers must now negotiate "Inuit Impact and Benefit Agreements" before development can proceed. Recent examples include the Voisey's Bay Agreement in Labrador and the Raglan Agreement in Nunavik.

These agreements provide significant employment, and financial, training, business and education benefits. These are not just "dollars and cents" arrangements. They also include support for education through scholarship funds and community wellness programs—a very important signal that development of the Arctic is not just about making money. It is also about investing in our people and our communities.

At the territorial level northern governments are looking to share in new taxation and royalty arrangements through devolution agreements with the federal government.

We are also facing growing global realities such as climate change, transboundary pollution and the geo-politics of Arctic sovereignty. Just this month, the Intergovernmental Panel on Climate Change issued its fourth report concluding that human activities are a root cause of climate change.

Canada's environment minister has acknowledged the report and indicated the government will address climate change. We welcome this response.

We welcome the economic expansion in the Arctic promised by oil and gas, and mineral development. At the same time, we must all remain vigilant and be careful stewards of our natural capital and the environment.

Inuit are not newcomers to the politics and debate around climate change. Inuit have been pressing the climate change alarm for many years. The groundbreaking work of Shelia Watt-Cloutier, past president of the Inuit Circumpolar Conference, has put a human face—an Inuit face—on climate change that has garnered her a nomination for a Nobel Peace Prize.

My own work as Canada's Circumpolar Ambassador and Senior Official to the Arctic Council has taught me that global and regional co-operation are key features in development strategies for promoting sustainable development in the Arctic.

For those of you not familiar with the Arctic Council, it is a high level ministerial forum for dialogue among the Arctic states including Canada, the U.S.A—which includes Alaska—Russia, Finland, Norway, Sweden, Denmark (which includes Greenland and the Faroe Islands), and Iceland. What makes the structure and membership of this international forum unique is that indigenous peoples play a full role at all levels of the Arctic Council. The council is also made up of northern indigenous peoples from each of these countries including Inuit from Canada, Greenland, Alaska, and Russian Siberia, as well as Dene, Gwitch'n, Saami from Norway, Finland, Sweden, and Russia, and other indigenous peoples from Russian Siberia. Global and regional co-operation are of paramount importance to this forum.

Take, for example, the emerging controversies over sovereignty in Arctic waters, with predictions of an ice-free Northwest Passage conjuring up images of a shipping free-for-all.

Canadian sovereignty over Arctic islands and waters rests very heavily on the unbroken history of Inuit use and occupation. Yet to date, the discussions pay little attention to the views or potential contribution of the Canadians who actually make up a large part of the Arctic—the Inuit.

Inuit have much at stake in these debates. Internationalization of the archipelago could mean a reduction and even collapse of Canada's ability to ensure safe and efficient Arctic navigation upon which northern communities depend. The Inuit homeland could be opened to a new risk of under-regulated tanker traffic and therefore pollution.

The legal and political reliability of various land claims provisions dealing with the rights and responsibilities of the Crown and Inuit to co-manage lands and waters could be compromised.

Next on my list is human capital. Northern demographics have been described as a "ticking time bomb." Over 55 per cent of the Inuit population is under the age of 25.

Former Justice Thomas Berger (who headed the MacKenzie Valley Pipeline Inquiry and Report in the 1970s) in his recent report on the challenges of implementing the Nunavut Land Claims Agreement has characterized the situation as "a crisis." He points out that only 25 per cent of Inuit children graduate from high school, and many of these graduates do not go on to post-secondary education.

The types of jobs where the need for increased Inuit participation is most acute—such as the executive, management and professional categories—have inescapable educational requirements.

Many of the social problems in the Arctic reinforce each other in ways that spiral into personal and community breakdown. For example, poor housing conditions contribute to poor learning environments and educational outcomes. Lack of employable skills make young Inuit alienated and frustrated. Substance and physical abuse follow. Problems feed off each other and the human toll mounts.

We have a collective responsibility to help Inuit youth re-develop the confidence that has been lost. While it is important to understand the processes that have led to this crisis, it is more urgent to advance progressive ideas on how we can turn the situation around.

The Arctic also needs investment in infrastructure. Lack of adequate infrastructure capital currently impedes development of viable small business enterprises that are so necessary for a strong and diversified economy.

For example, there is very limited road infrastructure in the Arctic. With the exception of part of the western Arctic, transportation is exclusively by ship or air. This results in very high transportation costs which further handicap business development.

Did you know that Nunavut, which covers approximately 50 per cent of Canada's land mass, has fewer than 25 kilometres of roads?

Inuit land claims organizations have made substantial investments in transportation, for example in the airline industry. Capital expenditures in infrastructure development are for the most part beyond their fiscal capacity. Roads, sea ports and other infrastructure can only be realized through partnerships with government and the private sector.

Finally, the lack of investment capital and financial services can be a severe limitation for the growth and diversification of regional Inuit economies. It is very difficult to secure loans or other operating funds given the risks involved. This is particularly acute for small business development—a sector that remains seriously underdeveloped in the Arctic.

New lending institutions are being supported through the land claims organizations in our regions, whose lending criteria are better suited to the needs and economic realities of the Inuit regions. However, it cannot be the sole responsibility of our land claims organizations to finance these institutions from our heritage funds.

Business financing is only one of the phases in the business development cycle. To be effective, business support services are required to cover all phases of Inuit business development.

We invite governments and financial institutions to continue working with us to develop new approaches to support the creation of viable regional development lending institutions and support services.

I have impressed upon you that Inuit and their organizations are active in the future development of the Arctic. We have made huge investments in human and financial resources into research to better understand the root causes of problems and implementing solutions. We have worked diligently with governments to shape new policies that will support positive change. We have invested heavily in social programs and physical improvements in our communities.

I started my discussion with our common challenges because I firmly believe that re-building healthy and sustainable communities and creating a vibrant economy in the Arctic is an urgent matter for Canada and Canadians.

How we collectively go about doing this brings in the myriad of issues confronting us—climate change, sovereignty, resource development, globalization, etc. These are all forces that are putting unimaginable pressure on northern peoples and confounding governments and industry locally, regionally and internationally.

Addressing the challenges I have discussed and realizing the human potential that exists in the Arctic will not be an easy task. We cannot do it alone.

In 2005, the Inuit of Canada signed a Partnership Accord with the federal government. This Partnership Accord calls for a new more positive relationship between Inuit and the Government of Canada. It also engages the government to work directly with Inuit on all matters that affect them and their communities.

At the core of this initiative is the recently completed comprehensive Inuit Action Plan which has been presented recently to the Minister of Indian Affairs and

Northern Development—Jim Prentice. This plan recognizes the emerging global Arctic reality and focuses on the achievement of tangible and concrete results through the development of Inuit-specific strategies, policies and programs.

This action plan will convert the idea of partnership into focused initiatives that both improve the lives of Inuit and contribute to a stronger Canada.

What is needed now is a clear signal that the federal government is prepared to move forward. A good starting point would be a commitment in the next federal budget to build on the ideas in this Inuit Action Plan and negotiate a joint Canada/Inuit Action Plan.

In closing let me share this with you.

I recently received a copy of an open letter written by a young Inuk student. She attends an innovative school program in Ottawa called Nunavut Sivuniksavut. Here, promising Inuit students are provided a one to two-year college program to equip them to take advantage of the educational, training and career opportunities that are being created by the Nunavut Land Claims Agreement and the Government of Nunavut.

She was writing to provide another view on the distressing social problems confronting Arctic communities. In part she said:

"Sometimes I think we're too spoiled now; that we have too many choices, and that it's easy to fail—so it becomes commonly acceptable. The fact is, it is easy to fail, it is easy to give up, and it is easy to say, 'It'll be done by someone else.'

"It is much harder to take the initiative, it is hard to succeed, it is hard to stay focused, and it is hard to work.

"It is not hard to dream though. The power of dreams can be amazing. It's what drove people like Tagak Curley into creating ITC, and the right for Inuit to have their own voice, and name. It is what I choose to take advantage of to pursue a career as a doctor or a teacher.

"Dream bigger dreams than you can imagine. Be who you want to be, let nothing stop you."

I am re-energized by her insights.

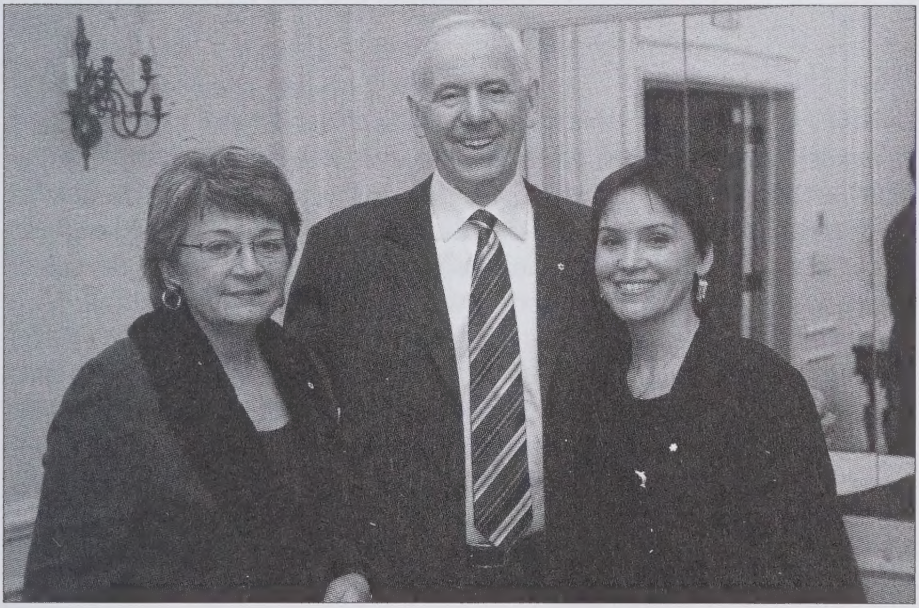
As Canadians, all of us share responsibility for the social, environmental and economic circumstances of the Arctic regions. All of us in positions of authority and responsibility must work diligently and creatively to bring about the improvements that are required.

Meeting the pressing economic needs of Arctic communities especially those of the Inuit, while respecting sustainability principles, will continue to challenge northerners, governments and industry.

Let us join together in a concerted effort to take up this challenge.

Nakurmiik.

The appreciation of the meeting was expressed by Charles S. Coffey, OC, Director, Arctic Children and Youth Foundation, and Director, The Empire Club of Canada.



Mary Simon, OC, President, Inuit Tapririit Kanatami, Charles S. Coffey, OC, Director, Arctic Children and Youth Foundation, and Director, The Empire Club of Canada, and Susan Aglukark, OC, Singer/Songwriter.

February 22, 2007

Karen Oldfield

President and Chief Executive Officer, Halifax Port Authority

TRADE WITH INDIA THROUGH THE PORT OF HALIFAX

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Robert J. Dechert, Partner, Gowling Lafleur Henderson LLP, and Past President, The Empire Club of Canada; Aletheia Chiang, Senior Student, Lawrence Park Collegiate Institute; Reverend David Harrison, Incumbent, St. Thomas' Anglican Church, Brooklin, Ontario; Brian Gerrior, National Manager, Import Logistic Services; Glynn Williams, Chairman and CEO, Reliance Aerotech Canada Inc.; Ron Tepper, President and CEO, Consolidated Fastfrate Inc.; Heather Ferguson, President, Hearing Foundation of Canada, and Director, The Empire Club of Canada; David Sood, Partner, Associated Indian Exports, New Delhi; Lisa Raitt, President and CEO, Toronto Port Authority; and Mark Lerner, Assistant Vice-President, Sales, CN Rail.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

The original name of what has come to be known as the Halifax Harbour was coined by the Mi'kmaq, who called the area Ji/pug/tug (anglicized as "Che/buc/to").

Either way, it means "the biggest harbour." And it is. It is one of the deepest, ice-free ports along North America's eastern seaboard.

And from 1749 when the British General Edward Cornwallis (whose twin brother became Archbishop of Canterbury and nephew Charles was the famous Cornwallis that fought in the American Revolutionary War) was dispatched by the Lords of Trade and Plantations to establish a city there, on behalf of and at the expense of the Crown, right up until today it has remained an integral link in Canada's trading network and crucial to the economic success of the Eastern region.

As the deepest, ice-free port along the eastern seaboard, the Port of Halifax is responsible for 9,000 direct and indirect jobs, and almost $700 million in economic income. Nearly 2,000 cargo vessels and 100 cruise ships will call into the port annually.

During Karen Oldfield's time as President and CEO her primary focus is to grow the port's containerized cargo business. Over the past several months she has been leading the Port of Halifax's business development initiative into Asia, India, the Indian subcontinent, Europe, the United States and Central Canada looking for opportunities to capture a larger piece of the international trade boom.

Toting the messages of available capacity at the berths, on the terminals and on rail as well as Halifax's strategic geographic location and connections into the lucrative markets of North America's heartland, the port is starting to see some results for its efforts.

After graduating from Saint Mary's and Dalhousie universities, Karen Oldfield began her professional career in 1985 at the law firm of McInnes Cooper, becoming a partner a few years later. In August 1999, Premier John Hamm asked her to take on the role of Chief of Staff for the Premier's Office. For two and a half years, Karen was instrumental in ensuring the strategic plans and priorities of the Government of Nova Scotia were carried out. In January 2002, she joined the Halifax Port Authority as President and CEO.

Currently serving as Chair of the Halifax Gateway Council, Karen finds time to voluntarily serve her community on a variety of boards, including the YMCA, the Greater Halifax Partnership and the Board of Governors of Saint Mary's University. She also chaired Halifax's successful bid to host the 2004 World Women's Hockey Championships. In 2006 Karen was named one of the top-50 CEOs in Atlantic Canada.

Ladies and gentlemen, please greet with me Karen Oldfield.

Karen Oldfield

Ladies and gentlemen, I picked up the Globe and Mail's Report on Business last Saturday and I couldn't believe the headline: "Now it's India Rising."

My first reaction was who leaked my speech?

Then I thought wait a minute, it's nice to see one of our national newspapers finally talking about something we already know at the Port of Halifax.

Trading with India is Canada's next big opportunity. In fact at the Port of Halifax we have already done something about India. I want to tell you what that is and why I believe India is so important for all of us.

Canada is a trading nation. It has international container ports on both coasts. On the west coast there is a little port called Vancouver. You have probably also read a story or two about its biggest trading partner—Asia, the world's fastest-growing economy.

But on the other side of Canada on the east coast there's a little port too that I am rather fond of called Halifax. Because the world is round and because shippers can choose to go east or west, Halifax is also a trading partner with Asia. That's because of the Suez Canal. The Suez Canal lets Halifax and other east-coast ports trade with Asia and India.

For example, a ship leaving the Laem Chabang Port in Thailand with cargo destined for eastern North America will save a couple of thousand nautical miles simply by travelling through the Suez Canal.

Shipping lines are looking to the Suez Canal because it has lots of capacity. The Suez can accommodate both large vessels and a large number of vessels. So the Suez will help us pursue opportunities in Asia. Asia is and will continue to be a key part of our port's growth strategy.

That is why we will keep an active interest in the Asia Pacific Foundation.

I am very pleased to see Charles McMillan, a former Director of the Asia Pacific Foundation, in the audience today. I want to thank Charley and his colleagues for their interest and support in growing Canada's international trade on both coasts.

We know the story of trading potential with Asia. But today's story is about the trading potential with the world's second-fastest growing economy—India.

In a few short years we believe the India Atlantic freight corridor will rival the Asia Pacific freight corridor. Think about that for a second—the India Atlantic freight corridor being in the same class as the Asia Pacific corridor.

My focus today and every day is to grow the India Atlantic corridor and to capture as much of the freight on that corridor as possible.

And here's why. India has 17 per cent of the world's population. Its annual growth rate is expected to get to the double digits. Its current trade is valued at $800 billion per year. India's trade with Canada is less than 1 per cent of that trade. Just a little room for growth, wouldn't you agree?

If I could sum up India in one word that word would be opportunity. For Canada it is a tremendous opportunity. But how do we turn that opportunity into results?

I want to tell you about a couple of companies that are turning trade opportunities with India into results. The companies are household names in Canada and they are achieving those results through the Port of Halifax.

Let me start with the Canadian Retail Shippers Association, the CRSA. The CRSA represents 12 of Canada's biggest retail organizations including Sears, Sony, Eddie Bauer, and Reitmans.

Twenty months ago they created an east coast distribution hub through the Port of Halifax. They did this because a few years ago there were labour conflicts on the west coast. Of course that affected freight owners. CRSA had to make sure their products got to market. They realized they couldn't depend on just one port. So they implemented a multi-port strategy.

Brian Gerrior chairs the CRSA. He's also the National Manager for Import Logistics Services for Sears Canada. Brian will tell you they are always looking for ways to cut time and cost out of their supply chain.

They are already doing a significant amount of business with India. Brian works with David Sood. David's company is Associated Indian Exports. David is a key buyer for Sears in India and he travelled here all the way from New Dehli. We appreciate you joining us David.

CRSA figured they could cut transit time for shipments from India in half from 46 days to 23 days by shipping through Halifax, not the west coast. From factory to store not in 46 days but in 23 simply by going through the Port of Halifax.

These reduced transit times give CRSA members an advantage. They get to replenish stock much more easily within seasonal cycles, obviously quite important when you manage both retail stores and catalogue operations.

CRSA has the flexibility of working with ports on both coasts. But they chose the Port of Halifax because of these significantly reduced transit times.

When we were working out our deal with the CRSA, there was one more piece that needed to be in place. That piece was the intermodel service getting the goods out of the port. Halifax has one rail service but the CRSA, was used to having two rail services to choose from. So they also wanted a trucking service before making the move to Halifax.

CRSA was looking for a trucking company with transload services so they could distribute to their retail stores east of Montreal. Transload means a place where goods are unloaded, sorted and reloaded. CRSA found what they were looking for in Armour Transport. So 20 months later CRSA members like Sears run a backlog-free operation through the Port of Halifax.

Next time you're in your local Sears store the items you buy that say "made in India" came through the Port of Halifax.

The next story I want to share with you is about Canadian Tire and their transload distribution partner Consolidated Fastfrate.

It's a formidable team—Pat Sinnot of Canadian Tire and Ron Tepper from Consolidated Fastfrate. When you hear them tell this story it's a lesson in basic math.

Canadian Tire carefully manages its supply chain and is always looking for ways to reduce time and cost. Canadian Tire imports a lot of goods from China. It's increasing its imports from India, but the bulk of its imports come from China through the Port of Vancouver. Then it goes by rail to Calgary, Toronto and Montreal for distribution by truck to stores throughout Canada.

Ten per cent of Canadian Tire stores are east of Montreal. So trucks delivering product to those stores were returning empty. Empty trucks equal lost cost. Pat identified the need to have trucks travelling full in both directions. To make that happen he needed to bring cargo in through the east coast. It sounds simple. And it was.

In a few months from now, Consolidated Fastfrate will open a 90,000-square-foot transload facility in Halifax. Canadian Tire will be one of its key customers.

The common thread in both of these stories about CRSA, Sears, and Canadian Tire is that there was a supply-chain issue that needed to be addressed. In all cases solutions were found through the Port of Halifax.

We worked with CRSA, with Consolidated Fastfrate and Canadian Tire to find the right solution for everyone. We didn't do it all by ourselves. We worked with our partners at the city, at Nova Scotia Business Inc. (NSBI), at the province and in the business community. We will take that collaborative approach for any organization looking to do business with our port. We are in the business of helping our customers grow and we are in the business of adding new customers.

The Port of Halifax has been involved in international trade since 1749, over 250 years ago. Historically our bread and butter has been with European trade. But in recent years we determined there is a bigger role for us and we should be increasing our contribution to the Canadian economy.

We have tackled this from four fronts. One—growing our existing markets. Two—establishing new markets. Three—broadening our core services to encompass the needs of freight owners as well as shipping lines. Four—finding companies, investors and others who believe in the Port of Halifax and what it can contribute to Canada's international trade.

Before I get into markets and India I want to touch on some of the investment that is happening in Halifax. The year 2007 is a good one for us. Macquarrie Infrastructure Partnership recently bought the Halterm terminal operations. That is a $170-million investment in the port. Cerescorp will soon take delivery of two new super post-Panamax cranes. That is an investment of over $20 million and as I mentioned earlier Consolidated Fastfrate will soon be opening its $14-million transload/distribution facility.

Each of these investments is more than just private money. Each is a sign of confidence in Halifax. At the port we have our own investment program—$135 million over five years. That's over one-quarter-billion dollars in investment.

That's not all. We have plans for a substantial expansion at each of our terminals. That will get us to a two-million-TEU capacity. That is four times bigger than we are today. When you combine this with everything else we have going for us, the future is looking pretty good.

It is so good the province of Nova Scotia, represented here today by Transportation Minister Angus MacIsaac, has made the gateway one of its top priorities. A gateway that has great bench strength provincially and regionally. We have an international airport in a network of smaller regional airports. We have seaports that have built solid businesses in bulk, breakbulk and containerized cargo and we have a strong, supportive business community.

Now back to our markets. We're obviously looking at Asia. There are parts of China in our sight. China has potential for Halifax but its natural alignment with the west coast makes it a big hill for us to climb; not insurmountable but a big hill nonetheless.

When CRSA became part of the Port of Halifax we were introduced to India. As we learned more about India the potential became more and more obvious. We took a page from Pat's book and started to do some math of our own.

If a ship travels via the Suez Canal, India is 1,840 nautical miles closer to Halifax than it is to west-coast ports. India's top exports also match the markets we serve. As well, there is a good match between what our market exports and what India imports.

So we asked ourselves how do we turn this opportunity into results. For the first time in our history we opened an office outside our harbour. We opened that office in India, in Mumbai and New Delhi.

We entered into an agreement with Jeena & Company Global Logistics. They are a well-established organization, owned and managed by the Katgara family. Our relationship with Jeena is less than a year old and we are very pleased with how it is going. We aren't expecting short-term results but we are banking on medium- and long-term ones. We chose India because we believe this is where our growth potential lies as a port, as a province and as a country.

We have high hopes for North America's trade with India, and our specific goal is to establish a relationship between Atlantic Canada and India just like the one between Asia and the Pacific.

As you know Premier Dalton McGinty recently led a trade mission to India. We took advantage of this opportunity to introduce Jeena to some of the people travelling on this trade mission. Why? Because Halifax is Ontario's port for containerized cargo trade with India. We're your port because big ships just can't go up the St. Lawrence Seaway.

And if we aren't your port then freight owners are paying too much to transport containers and travel time is a lot longer than it needs to be. How can I say this with such conviction? Well in this business time is money. We save time for shippers.

We save time because we have fast access to central Canadian markets and the U.S. Midwest. We save time because we are congestion-free. We have capacity at the berths, on the terminals and on the rail line.

Right now as you know there is a strike at CN. It's affecting everyone across the country. We all hope it gets settled as soon as possible. Now I have just been talking about how the Port of Halifax is Ontario's port for containerized cargo from India. You must be wondering what does that mean for the Toronto and Hamilton ports.

My colleagues from Toronto and Hamilton are here today. They will tell you that we are all part of the freight corridors. Ports, railways and roads in Canada and around the world connect.

How we connect to create freight corridors is directly related to the needs of shippers who are looking for access to markets. Our job is to help them find the best solution. And Halifax is the best Canadian solution for ships travelling through the Suez Canal.

As I said earlier the Suez Canal plays a big part in our growth strategy, especially in terms of India. We already have lines calling on Halifax via the Suez. When we combine these lines with the others calling from all over the globe, we clearly demonstrate we are accessible to world markets.

It may surprise you to know other Canadian ports can't access these markets as easily as we do at the Port of Halifax. This accessibility is real and it is this accessibility that will lead to economic growth and success not only for the Atlantic region but also for the whole country.

Canada is a big country with a small population. We will grow and prosper on the strength of our trade links. We have international container terminals on both coasts. They are vital links to world trade corridors.

This isn't about one or the other, the East versus the West playing both ends against the middle. It is about both coasts working together as assets in a national trade strategy. A trade strategy that sees Canada redefining its niche as an importer, an exporter, a supply-chain contributor and a service provider.

We have to have a strong national trade strategy. We have to work harder at this than other countries. We have to think bigger. If we don't we'll be left behind.

When Minister Pupatello returned from India, she said, "They're not waiting for us."

This is our challenge. We need to capture our share of Asia. We need to capture our share of India and for that matter any other emerging trading partners around the world. Our challenge is also our opportunity.

Yes, as the Globe and Mail said, "Now it's India rising."

And "India's time has come."

But it's also our time as a country to seize this tremendous opportunity.

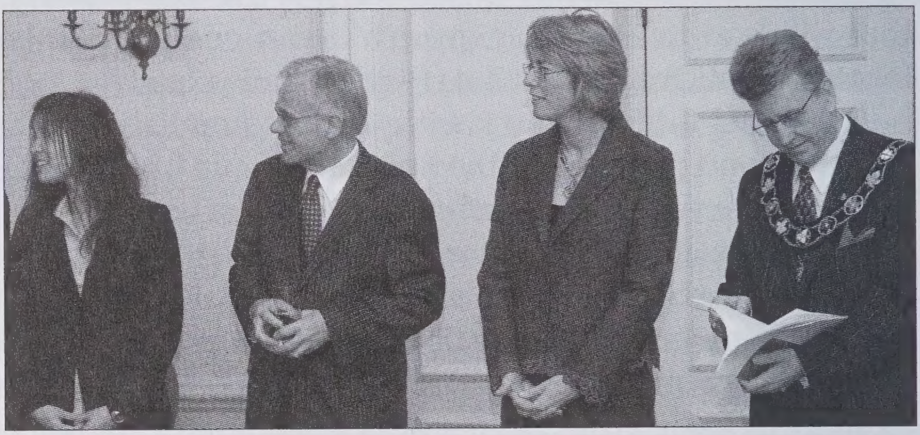
Halifax will do its share. We'll even do more than our share if that's what it takes.

There's a part for all of us to play. You play your part. Let the West play its part.

Let us play our part. And when we all do our part, Canada will not be left behind.

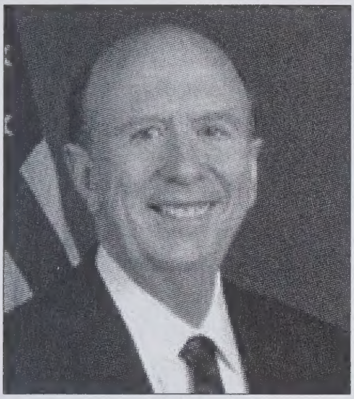
Thank you.

The appreciation of the meeting was expressed by Heather Ferguson, President, Hearing Foundation of Canada, and Director, The Empire Club of Canada.



Aletheia Chiang, Senior Student, Lawrence Park Collegiate Institute, Robert J. Dechert, Partner, Gowling Lafleur Henderson LLP, and Past President, The Empire Club of Canada, Karen Goldfield, President and CEO, Halifax Port Authority, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.

His Excellency David Wilkins, U.S. Ambassador to Canada, and Dr. John S. Niles, President, The Empire Club of Canada.



March 1, 2007

The Hon. David Wilkins

United States Ambassador to Canada

ISSUES IN CANADA-U.S. RELATIONS

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Anne Fotheringham, Owner, Fotheringham Fine Art, and Director, The Empire Club of Canada; Alex Gold, American Studies Student, University of Toronto; Reverend Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church; Dr. Murray Frum, CM, Chairman, Frum Development Group; John Nay, Consul General, U.S. Consulate General in Toronto; Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group, and Director, The Empire Club of Canada; Dougal Macdonald, President and Managing Director, Morgan Stanley Canada Limited; The Hon. Perrin Beatty, President and CEO, Canadian Manufacturers and Exporters; and Donald A. Guloien, Senior Executive Vice-President and Chief Investment Officer, Manulife Financial.

Introduction by John Niles

Your Honour, Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

For North America, the world changed forever six and a half years ago when Osama bin Laden and his followers delivered a depraved and degenerate assault on the world's most mighty nation, inflicting unprecedented hurt and destruction, and shattering North America's sense of invincibility and inviolability forever.

Horrified by the scale and brutality of the attack, Canada and the world responded by reaching out to the United States.

Over six years later, the echoes of 9/11 still reverberate across the world. Al Qaeda has been damaged but not destroyed. Its ability to operate has been curtailed, many of its original leaders have been killed or captured but its ideological strength in many respects remains intact.

Its followers believe violence against civilians is justified. These terrorists motivated by these extremist views have attacked across the globe, from Casablanca to Jakarta, from Riyadh to Mombassa, from Madrid to London. Some strike across borders; others choose to attack at home.

Though many more attacks have been prevented as countries have strengthened their defences against terrorism, there is mounting concern that in the process, fundamental rights and freedoms have been seriously infringed or put at risk.

As a result, the law that the then-Liberal government enacted six years ago that allowed suspected terrorists to be held without trial, and that could compel them to give testimony to the knowledge they have regarding terrorism before a judge comes to an end in Canada today at the very hands of those who enacted it in the first place but who now sit, not in government but in opposition.

The question that remains unanswered is whether or not we have been made safer by those actions first taken or by those actions now taken.

As one who comes from a military family, and who has had one member of our family die in Iraq while covering the war, I personally do not believe we have been made safer by this action.

In January of 2002, the Canadian Forces joined the multi-national coalition called Operation Anaconda. In 2003, the Canadian Forces assumed a six-month command rotation of the International Security Assistance Force and in 2005 Canadians assumed operational command of the multi-national Brigade in Kandahar with 2,500 troops, and supervise the Provincial Reconstruction Team in Kandahar, where Al-Qaeda forces are most active.

During this period, the co-operation and communication between the United States and Canada has been at times stormy and tumultuous and at other times productive and profitable and perhaps even providential.

I say this, because, as a minister, I was interested to hear that Ambassador Wilkins during his farewell as House Speaker to the

South Carolina legislature said, “God told me to go to Canada.” I can see why. It is God’s country after all.

Ambassador Wilkins was nominated by President George W. Bush to become the United States Ambassador to Canada on April 27, 2005, and was confirmed unanimously by the United States Senate on May 26, 2005. On June 29, 2005, he became the 21st United States ambassador to Canada.

Since his arrival in Canada, Ambassador Wilkins has worked extensively with various U.S. and Canadian officials, seeking resolution on high-profile files including softwood lumber, BSE (mad cow) and the Western Hemisphere (Passport) Travel Initiative. He has travelled extensively throughout Canada, visiting every province and territory, and has tirelessly encouraged visits to Canada from high-profile Americans such as Secretary of State Condoleezza Rice, Treasury Secretary John Snow, Energy Secretary Samuel Bodman, as well as numerous White House officials, senators and congressmen.

Ambassador Wilkins was actively involved in the Security and Prosperity Partnership of North America (SPP) meetings in Cancun in the spring of 2006 between Prime Minister Harper and President Bush, as well as the second meeting between the two leaders when President Bush hosted the Prime Minister at the White House later that summer.

Ambassador Wilkins was elected to the South Carolina House of Representatives in 1980 and served there for 25 years. He quickly rose through the ranks in the House of Representatives, serving six years as chairman of the House Judiciary Committee and two years as speaker pro tem before being elected speaker, a position he held for 11 years. He was the first Republican elected speaker of any legislative body in the South since the 1880s and retired as one of the longest-serving speakers in the country.

In his 25 years in the legislature, David Wilkins was on the cutting-edge of most major reform legislation including South Carolina’s historic ethics bill and the Education Accountability Act. Wilkins played a key role in the relocation of the Confederate flag from the State Capitol Building and led the fight to ban video gambling.

Throughout his distinguished career, Wilkins has received numerous awards including the 2004 Excellence in State Legislative Leadership Award from the National Conference of State Legislatures. He has been named Outstanding Legislator of the Year by a wide range of organizations and was also named the National Republican Legislator of the Year.

A strong supporter of President George W. Bush, Wilkins served as state chairman of the Bush-Cheney '04 campaign and as co-chair of the campaign in 2000. He was appointed by the President to the Board of Visitors to the United States Academy at West Point in 2002.

A native of Greenville, South Carolina, David Wilkins graduated from Greenville High School and received his undergraduate degree from Clemson University and his law degree from the University of South Carolina School of Law. After service in the Army, he returned to Greenville where he practiced law for more than 30 years.

Please greet with me the Honourable David Wilkins.

David Wilkins

Well thank you very much John for that warm introduction. It is truly a privilege and a pleasure for me to be back here in Toronto and back at the Empire Club. I truly appreciate those out with the pending snow storm coming. You truly honour me with your presence. Where I come from, we would all be at home by now building a fire and drinking hot chocolate. I'd have stopped by the drugstore for milk, bread, and hot chocolate. We'd be hunkered down in our homes waiting for the two or three inches of snow that we might expect.

Well, thanks for being here. I am also delighted that John Nay, our outstanding Consul General in Toronto, is here to my immediate left. He does a great job representing our country in your country.

I have been privileged to be here now for 20 months, travelling around your vast and beautiful country and getting out and seeing folks from all walks of life. I have talked to thousands of Canadians across your country and it really has been a great privilege.

I have had the great fortune of getting to know many of you. Some of you have had the fortune or misfortune of having heard me probably on more than one occasion.

So this afternoon, I thought I would do something a little different. Rather than give a formal speech, I thought I would just have a conversation—a conversation with friends—and talk a bit about maybe four issues, pressing issues, that we are dealing with right now; and then share some personal insights, personal thoughts, with you about what I have seen and learned in your great country; and then, if we have time, take a few questions.

I have been profoundly blessed to be in Canada during this unique time in history. So many moments stand out. I got to visit the troops heading to the Gulf Coast in Halifax and a thousand young Canadians going down to help us after Katrina. I then visited the folks from the Vancouver rescue squad as they returned from New Orleans after pulling 119 Americans off rooftops and treetops. I have seen examples of that all over this country. Wherever I have visited, friends were helping friends and neighbours were helping neighbours.

When I got here, the first thing I said was that I wanted to accentuate the positive. And my goal, although it may be simply stated, is to leave the relationship stronger and more resilient than the day I found it.

I think we are making some progress towards doing that. I think the relationship between our two countries is now on the upswing. Recent polls bear this out. It seems to me that our leaders are looking at problems as a shared responsibility, working together, and working to fix problems rather than fix the blame.

I think tone at the top matters and leadership matters. I give the President and the Prime Minister a great deal of credit for the upward swing in the U.S.-Canada relationship. It is getting stronger and I think there are tangible examples of that.

One problem was softwood lumber, the one issue that people told me would never be resolved on my watch. I witnessed in Cancun last March the Prime Minister making a very compelling case to the President about the need to resolve that issue. The President got engaged and had serious discussions to effectuate an historic agreement on an issue that was really an irritant and by many a defining issue in our relationship. Now that is behind us because that is what friends do. We work out problems. We resolve issues.

Another problem is BSE. When I got here, the borders were closed to Canadian cattle. The President said we wanted to open the borders. We wanted to follow scientific data from the agriculture department but, ultimately, we wanted the borders open to Canadian cattle. We are well on our way to getting back to pre-2003 status where the borders will be fully open. Pending regulations will further reopen the borders to Canadian cattle seven years and younger.

And so we will be virtually back to 2003 standards and that is a great example. Even now when we have a mad cow discovery, the borders remain open for the cows 30 months and younger because there is a process in place between our two countries to make sure folks on both sides of the borders are protected and the borders don't get closed and the cows continue down south.

That is a great example of working through problems.

Diplomacy depends on relationship building. When you get right down to it, it is like a marriage or a business or friendships or politics; it is all about building relationships and building foundations of trust. I believe that is exactly what is happening now. I see it every day: phone calls going back and forth between top officials on both sides of the border.

Just last week, for example, you had the White House Drug Czar, John Walters, in Ottawa meeting with his counterparts. You had Secretary Chertoff meeting with his counterparts. You had Secretary Rice meeting with her counterparts. You had Commerce Secretary Gutierrez meeting with his counterparts. All meeting, all strengthening their relationships, one meeting, one friend at a time. I think that bodes well for the relationship between our countries.

One other thing I have observed since I have been here is the fact that we are two great democracies side by side but we practice democracy somewhat differently. I am fascinated as a political junkie having been in politics for 25 years, and on the ballot 13 times. I am fascinated by the differences. I don't know that one country does it better or worse. We do it differently. I think we both do it very well.

Your Prime Minister with a majority government—although the President of the United States is often thought of as the most powerful person in the world—has a much greater concentration of power in that one position than we do. We have more of a check-and-balance system, more of a clear separation of powers. But the parliamentarian system is a combination, as you know, of executive and legislative branches together.

Could you imagine the dynamics that would be changed in Washington, D.C., if the President of the United States could appoint members to the Senate or if he could appoint Cabinet officials or judges without confirmation hearings? I mean, up here you appoint one day and the minister starts work the next. It would change the dynamics. I marvel at your Question Period. What would happen if every day the President had to travel to the Hill and take questions for 45 minutes from Nancy Pelosi or Harry Reid? It would truly change the dynamics in Washington. It is fascinating to compare if we adopted this or if you adopted that.

Another thing I have observed is that people everywhere I go ask me who are going to be the presidential candidates—Democrat and Republican. Well, we don't know. There is great speculation. We know when our election is. Up here you spend all your time talking about when the election will be! And so it is great to compare things and great to see differences.

I want to talk to you seriously about a couple of issues, though. The one that seems to be on everybody's mind and gets the most concern and rightly so is the issue of passports.

The Western Hemisphere Travel Initiative (WHTI), adopted by our Congress in 2004, will require passports for people travelling from Canada, the Caribbean, and Mexico heretofore exempted from that requirement. Now they will be required to have passports or a trusted traveller program card like NEXUS to enter the United States.

The air portion of WHTI went into effect January 23 and it went very, very smoothly all across Canada. Very few people did not have passports. There was 99-per-cent compliance. With those who didn't comply, our security folks used good common sense and discretion and allowed people to travel to the United States if they had proper identification. Our consuls general all across Canada worked very closely with your officials, airline officials and airport officials, to make sure there was a smooth implementation. We were all very pleased with the way that it went.

The land portion and the sea portion go into effect, as you know, sometime between January of 2008 and June of 2009. There is a lot of speculation of when that might be. The Secretaries of State and Homeland Security have to certify to Congress, after consultation with Canada and Mexico, that they are ready to implement it and then three months later, it goes into effect—but no later than June of 2009.

Homeland Security Secretary Chertoff and Secretary of State Rice were here in Canada last Friday. Based on comments they made and what I understand, I believe it will be implemented. I believe the land portion and sea portion will be implemented sometime during 2008. It could be implemented as early as January. It is up to Secretary Rice and Secretary Chertoff to certify when it will be ready, but I believe it will happen sometime during this administration. I do not believe it will happen after the administration leaves office. It is a law passed by

Congress. It is required to go into effect. The only way it won't go into effect is if Congress rescinds the law. Based on the comments I have heard in Washington, I do not believe that is going to happen but, obviously, they have every right to do that if they so choose. I believe we need to get ready for it.

Simply put, the message I try to give to Americans and to Canadians is get a passport. It is that simple. Or a NEXUS card or other trusted traveller card.

I know there are those who push back on it and those that say it is going to cause confusion and delays at the border. I think if we all buy into it and get behind it and all work to implement it smoothly, it will have the opposite effect. It will make it easier.

There are literally thousands of documents that security officers have to look at—drivers' licenses, birth certificates. If you narrow the documents down to a passport or a NEXUS card or, in the case of American citizens, a passport card that will be available for American citizens some time this summer, the process will be easier. It will facilitate trade and travel, not impede it. There is no one in Washington, no one in the United States, who wants to impede or do anything detrimental to this wonderful trade relationship we have with our friend Canada, the largest trading relationship the world has ever known. We don't want to do anything to impede tourism between our two countries.

But what we need to do, I believe, is all get on board and work towards a smooth implementation. Just last week, Secretary Chertoff announced that minors 16 years and younger would be exempted from this requirement and those who are 17 and 18, if they are part of a team, a ball team or a group with an adult with the proper documents, would be exempted. Those are the things we are working on. It is still a work in progress. There are still rules to be promulgated on this.

But, again, I would say to you that Americans are getting the message. We are issuing passports at a record pace at well over a million a month now. Some 75 million Americans now have a passport, well over the number more than a year ago. We'll probably issue 18 million passports this year alone to Americans. We are getting the message. We are getting passports so we can travel to Canada.

I would urge you all to use your influence to urge your friends to get a passport and urge your elected officials to work together with us for a smooth implementation. If we can make it as smooth for the land portion as we did for the air portion, it will be very, very good.

The second issue, very quickly: intellectual property rights, copyright laws. We are asking the Government of Canada to strengthen your copyright laws. A lot of pirating goes on; a lot of counterfeiting of movies and songs and whatnot. This is not some effort to protect some high-paid Hollywood star or studio. It is about ensuring that Canadian and American innovators and entrepreneurs are encouraged and protected so they will continue to make North America competitive in the world marketplace.

We are working with the Canadian government on that issue. We have met with Ministers Bernier and Oda and members of the Prime Minister's staff and we are requesting a stronger copyright bill be introduced and be passed. We are joined by the U.S. and Canadian motion picture, sound recording and computer software industries. Right now the copyright laws or the intellectual property right protection in Canada is considered the weakest of the G-7 countries, so we are asking that it be strengthened. It really does cost the Canadian economy a huge amount every year, estimated to be about $10–30 billion per year.

Third issue: SPP (Security and Prosperity Partnership). We had ministers in Ottawa last week: Mexican, Canadian, and American. They were meeting in preparation for the

Leaders Summit/Conference to be held in Canada later this year between Mexico, United States, and Canada. There is a lot of speculation, a lot of talk, about what the SPP is. Let me just quickly say what it is not. It is not about becoming a North American union like the European Union. It is not about creating a common currency or giving up our national sovereignties or our identities.

What is it about? It is about creating a North American strategy to compete in a global economy. It is about better co-ordination between our countries to respond to emergencies especially those that take place near the border. It is about co-ordinating response to situations and threats like the avian flu and developing communication plans and strategies on potential impact on border crossings. It is about reducing the cost of how we do business and better integration, fewer duplicating regulations, and less bureaucratic red tape.

Fourth issue: Afghanistan. All freedom-loving countries are truly grateful for Canada's role in Afghanistan as part of the UN-sanctioned NATO mission there. Brave Canadian troops continue to do some of the heaviest lifting as Afghanistan makes significant progress. It really is hard to argue with the success of the mission in Afghanistan.

Think about this. The Taliban have been driven from power. Al-Qaeda has been driven from its training camps. Afghanistan is a free nation. And Canada, which rightfully prides itself on its fierce protection of civil and human rights, has been part of an historic and sweeping change that has carried the light of liberty to a people that for so long had only known darkness under the Taliban rule. Women, who were oppressed and denied educations, are now serving in Parliament; 91 of them. President Karzai has appointed the first woman to serve as a provincial governor. More than five million Afghan children are now in school. About two million of those are girls. The Afghan economy has doubled since liberation attracting $800 million in foreign investment and more than 4.6 million Afghan refugees have returned to their country.

Afghanistan, like Canada and the United States, now enjoys a democratically elected president and national assembly. And that is because Canada and the U.S. and other freedom-loving countries stood in the gap. We didn't run when it was hard, when it was dangerous. As President Bush said, "We didn't let this young democracy whither away."

And just imagine if we had. Imagine if the terrorists still had Afghanistan as a base of operation. If we leave now, the terrorists will follow us home. As President Karzai said when he visited Canada last year, the tragedy of September 11 showed us the cost of ignoring Afghanistan was far higher than the cost of helping it. In places like Afghanistan, the Sudan and Haiti, the U.S. and Canada are partners and as part of an international group are truly a force for good. Our multilateral efforts are important and they are making a difference to the world's poorest and most disadvantaged citizens.

I have said this many times but I believe it bears repeating. I believe just as you do, that this U.S.-Canada relationship is so vitally important it is worth our constant care and attention. And in these very turbulent times, it is comforting I think for all of us to be able to look across that border and see not only a neighbour but also a best friend and an ally now and in the future.

Thanks for sharing your time with me. Thanks for inviting me back. Hopefully, we have a minute or two for questions. I am happy to take questions.

God bless Canada and God bless the United States.

The appreciation of the meeting was expressed by Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group, and Director, The Empire Club of Canada.

March 8, 2007

The Rt. Hon. Beverley McLachlin

Chief Justice of Canada

JUSTICE IN OUR COURTS AND THE CHALLENGES WE FACE

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Heather C. Devine, Associate in Litigation, Gowling Lafleur Henderson LLP, and Director, The Empire Club of Canada; Edward Li, Senior Student, North Toronto Collegiate Institute; Reverend Ajit John, Lawyer, Law Society of Upper Canada, and Priest, St. Matthews Anglican Church, Riverdale; The Hon. Annemarie Bonkalo, Associate Chief Justice, Ontario Court of Justice; The Rt. Hon. Adrienne Clarkson, Former Governor-General of Canada; The Hon. R. Roy McMurtry, Chief Justice of Ontario; The Hon. Madam Justice, Mary Lou Benotto, Superior Court of Ontario, and Director, The Empire Club of Canada; Laura Legge, OOnt, QC, Partner, Legge & Legge Barristers and Solicitors; John Ralston Saul, Novelist and Essayist; The Hon. Heather J. Smith, Chief Justice, Ontario Superior Court of Justice; and Scott Jolliffe, National Managing Partner, Gowling Lafleur Henderson LLP.

Introduction by John Niles

Your Excellency, Your Honours, Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

Aristotle first defined the contrast between the rule of men and the rule of law, the latter being seen as separate and stemming from an external and pure authority.

Thomas Aquinas defined a valid law as being one that is in keeping with reason and

- was established by a proper authority;
- is for the purpose of achieving good; and
- was properly communicated to all.

... this is the first precept of the law, that good is to be done and promoted, and evil is to be avoided. All other precepts of the natural law are based on this....

He makes it sound so easy. However, with increased wait times, longer trials and social problems, and my personal issue of violence against children which has as much to do with crimes against humanity as it does crimes against children, we are left hoping for the Wisdom of Solomon; failing that, at least we have the next best, the wisdom of the Honourable Madam Chief Justice Beverley McLachlin.

The Chief Justice Beverley McLachlin was born and raised in Southern Alberta, Canada. She attended the University of Alberta at Edmonton, where she earned a BA (Hon.) and MA in Philosophy (1964) and a Bachelor of Laws degree (1968).

Chief Justice McLachlin articled in Edmonton and practiced law in Edmonton, Fort St. John and Vancouver from 1968 to 1971. She taught at the Faculty of Law of the University of British Columbia from 1975 to 1981.

In 1981, Chief Justice McLachlin was appointed to the County Court of Vancouver. She was elevated to the Supreme Court of British Columbia later that year and to the Court of Appeal of British Columbia in 1986. In 1988 she became Chief Justice of the Supreme Court of British Columbia, where she served until her appointment to the Supreme Court of Canada in 1989. On January 7, 2000, she became Chief Justice of Canada.

Will you please greet with me the Honourable Madam Chief Justice Beverley McLachlin.

Beverley McLachlin

Your Excellencies, Chief Justice McMurtry, Chief Justice Smith, Associate Chief Justice Bonkalo, distinguished guests, one and all, thank you very much for your welcome. I'm delighted to be here once again to address the Empire Club.

More than a century ago, a Canadian Justice Minister, Pierre Elliott Trudeau, challenged Canadians to build what he called the just society. In the ensuing years, thousands of Canadians have worked to establish their visions of a just society. The centrepiece of Prime Minister Trudeau's vision of the just society was, as we all know, the Charter of Rights and Freedoms, which was adopted in 1982 and whose 25th anniversary we will be celebrating this April.

But whatever our political persuasion or our particular conception of justice, there can be no doubt that Canadians today expect a just society. They expect just laws and practices and they expect justice in their courts.

Today I would like to share with you my perspective on justice in our courts and the challenges we face in assuring Canadian women, men and children a just and efficacious justice process.

Let me begin by asserting that Canada has a strong and healthy justice system. Indeed our courts and justice system are looked to by many in many countries as exemplary. We have generally well-appointed and equipped court rooms presided over by highly qualified judges. Our judges are independent and deliver impartial justice, free of fear and favour. The Canadian Judicial Council, which I head, recently issued an information note on the judicial appointments process in which it affirmed these long-standing principles, principles on which our justice system is based.

Canadians can have confidence that judges are committed to rendering judgment in accordance with the law and based on the evidence. Corruption and partisanship are non-issues. In all of these things we are fortunate indeed. Yet, like every other human institutional endeavour, justice is never done. It is never achieved. It's an ongoing process. Each decade, each year, each month, indeed each day brings new challenges. Canadian society is changing more rapidly than ever before. So is the technology by which we manage these changes. Thus it should not come as a surprise that Canada's justice system in 2007 does face challenges. Some represent familiar problems with which we have yet to come to grips. Others arise from new developments and require new answers.

In my comments today I will touch on four such challenges. First, the challenge to access to justice; second, the challenge of long trials; third, the challenge of delays in the justice system; and fourth the challenge of dealing with deeply rooted endemic social problems.

First, access to justice. The most advanced justice system in the world is a failure if it does not provide justice to the people it is meant to serve. Access to justice is quite simply critical. Unfortunately, many Canadian men and women find themselves unable, mainly for financial reasons, to access the Canadian justice system. Some of them become their own lawyers or try to. Our courtrooms today are, if not filled, amply represented with litigants who are not represented by council who are trying to navigate the sometimes complex demands of law and procedure. Other people just give up. Recently the Chief Justice of Ontario stated that access to justice is the most important issue facing the legal system.

The Canadian legal system is sometimes said to be open to two groups—the wealthy and the corporations at one end of the spectrum and those charged with serious crimes at the other. The first have access to the courts and justice because they have deep pockets and can afford them. The second have access because by and large and with some notable deficiencies legal aid is available to the poor, who face serious charges that may lead to imprisonment. To the second group should be added people involved in serious family problems, child abuse situations, which your president mentioned and the like where the welfare of children is at stake. In such cases, our court has ruled, legal aid may be a constitutional requirement.

It is obvious that these two groups leave out many Canadians. Hard hit are average middle-class Canadians. They have some income, they may have a few assets, perhaps a modest home. This makes them ineligible for legal aid, but at the same time they quite reasonably may be unwilling to put a second mortgage on their house or gamble with their child's college education fund or their retirement savings to pursue justice in the courts. Their options are grim. Use up the family assets in litigation, become their own lawyers, or give up.

The result may be injustice. A person injured by the wrongful act of another may decide not to pursue compensation. A parent seeking custody or access to the children of a broken relationship may decide that he or she cannot afford to carry on the struggle, sometimes to the detriment not only of the parent but the children. When couples split up, assets that should go to the care of the children are too often used up in litigation. The family's financial resources are dissipated. Such outcomes can only with great difficulty be called just.

To add to this, unrepresented litigants or self-represented litigants, as they are sometimes called, impose a burden on courts and work their own special forms of injustice. Trials and motions in court are conducted on the adversary system under which each party presents its case and the judge acts as impartial arbiter. An unrepresented litigant may not know how to present his or her case, may not even know what he or she needs to present. Putting the facts and the law before the court may be an insurmountable hurdle. The trial judge may try to assist, but this raises the possibility that the judge may be seen as helping or partial to that person. The proceedings adjourn or stretch out adding to the public cost of running the court. In some courts more than 44 per cent of cases involve a self-represented litigant.

Different, sometimes desperate, responses to the phenomenon of the self-represented litigant have emerged. Self-help clinics can be set up and have been in some jurisdictions. Legal services may be unbundled, allowing people to hire lawyers for some work and do the rest themselves. The Associate Chief Justice of British Columbia Provincial Court is quoted as saying: "This is absurd not unlike allowing a medical patient to administer their own anaesthetic."

It is not only the unrepresented litigants who suffer. Lawyers on the other side, the side clients are paying for, may find the difficulty of their task greatly increased driving up cost to their clients. Judges are stressed by these things and burned out sometimes putting further pressures on the justice system. And so it goes.

The bar and bench are attempting to improve the situation and some modest progress is being made. Lawyers are organizing themselves to give free or pro bono service to needy clients. For example, I was in the British Columbia courthouse not long ago and right by the door there's a sheet of paper and you can tear off one of those little phone numbers and that gives you the right to an hour consultation with the lawyer who has put it up at no cost. At least people can get some sort of idea of what their problem is or where they might be heading. These and other imaginative schemes are being developed. NGOs and legal groups are finding ways to help self-represented litigants. Real changes have permitted contingency fees where lawyers are paid out of the proceeds of the litigation if any and class actions also may be helping some people of modest means to pursue actions in the courts. Thought is being given to coverage for legal services within specified limits as an endorsement to home insurance policies, and justice groups are working to simplify procedures and reduce costs to assist the unrepresented litigant. All of this is good yet much more needs to be done if access to justice is to become a reality for ordinary Canadians.

This brings me to my second challenge—the challenge of long trials. This is an increasingly urgent problem, both in civil and criminal litigation. Not too many years ago, it was not uncommon for murder trials to be over in five to seven days. Now they last five to seven months in many cases and some go on for years.

The length of civil trials is also increasing. For example, in 1996 the average length of a trial at the Vancouver Law Courts was 12.9 hours. Six years later, the average length had doubled to 25.7 hours. This trend is consistent with developments in other jurisdictions throughout Canada, although not all have such complete statistics.

There are a number of reasons why trials seem to have taken on a life of their own. On the criminal side, the Canadian Charter of Rights and Freedoms has had a significant impact on the criminal trial process. Charter pretrial motions regularly last two or three times longer that the trial itself. Changes in the law of evidence have also increased litigation and length in trials. And we have a lot more technological scientific evidence, which in justice should be coming in but which often takes a lot of time.

On the civil side, there are also a number of reasons why trials have become longer. Although Canadian rules of procedure impose limits on examinations for discovery, some argue that they are still too broad and allow the parties to canvas issues that may not be relevant or really helpful. This can result in longer and more expensive discoveries and a greater volume of evidence being placed before the trier of fact at trial. The expanded use of expert witnesses has also, some argue, lengthened trials.

Efforts at reform are underway. On the criminal side, a recent report by the Ontario Court of Justice makes a number of recommendations to improve efficiency and effectiveness of judicial pre-trial conferences with a view to improving the efficiency of criminal trials. The Ontario government recently launched a process to suggest reforms to the provincial civil justice system and a similar review is underway in British Columbia.

The third challenge I would like to talk about is challenge to delays in the justice system; delays in the processing of cases. Here again the problem afflicts both the criminal and civil side.

On the criminal side, delays in proceedings may result in serious cases being stayed since the Charter guarantees a trial within a reasonable time. Delays may also result in lengthy periods of incarceration for the accused person prior to trial. Even where the accused is out on bail, the stress of ongoing proceedings and the upcoming ever-deferred trial may be considerable. Witnesses are less likely to be reliable when testifying to events that transpired many months or even years before the trial. Not only is there an erosion of the witness's memory with the passage of time, but there is an increased risk that a witness may not be available to testify through ordinary occurrences of sickness and death. As a delay increases swift predictable justice, which is the most powerful deterrent of crime, diminishes. These personal and social costs are incalculable.

On the civil side, different but similar problems arise. Whether the litigation has to do with a business dispute or a family matter, people need prompt resolution so that they can get on with their lives. They cannot wait for years for an answer. When delay becomes too great, the courts may no longer be an option. People look for other alternatives or they simply give up on justice.

Courts have been promoting various forms of outer court mediation and arbitration as an effective way of achieving settlement and dealing with many civil cases. This is good but the fact is, I believe, some cases can and should go to court. They raise legal issues that should be considered by the courts for the good of the litigants and for the development of the law.

Now again I don't want to give the impression that all is bleak. Ten years ago in Ontario, civil appeals were taking two to three years from the date of perfection, that's when the record is perfected, to be heard. Criminal appeals were not far behind. They were being heard one and a half to two years from the date of perfection. Today the time required for bringing appeals on for hearing has been greatly reduced.

In a recent speech, Ontario Court of Appeal Justice Michael Moldaver noted the solution to delays in the justice system is not to hire more judges but for the court to take control of the process from the litigants and put it back in the hands of the judges. That appears to be what happened in Ontario. Within a space of 18 months the backlog was gone. Several appeals in Ontario are now being heard I'm told within nine to 12 months of perfection and criminal even sooner.

Finally I'd like to speak about a very difficult subject and one that the law is only belatedly coming to recognize. This is the challenge presented by intractable endemic social problems including drug addiction and mental illness.

A few years ago I found myself at a dinner at Government House. I think Her Excellency was hosting it. Next to me sat the chief of one of Toronto's downtown precincts. I asked this police officer what his biggest problem was. I thought he would say the Charter and all those judges who pronounce on rights, but he surprised me. Mental illness was his reply. He then told me a sad story, one I have heard throughout the country in the years since. Every night his jails would fill up with minor offenders or persons who had created a nuisance, not because they were criminals but because they were mentally ill. They would be kept overnight or for a few days only to be released, the cycle inevitably to repeat itself. Such people are not true criminals, not real wrong doers in the traditional sense of those words. They become involved with the law because they are mentally ill, addicted, or both.

Today a growing awareness of the extent and nature of mental illness and addiction is helping sensitize the public and those involved in the justice system. This sensitization and knowledge is leading to new more appropriate responses to the problem. One response has been the development of specialized courts. We've long had youth courts, but now we also have mental health courts and drug courts.

As Brian Lennox, Chief Justice of the Ontario Court of Justice, recently said at the opening of a new mental health court in Ottawa, "The Ottawa Mental Health Court is an example of a progressive movement within criminal justice systems in North America and elsewhere in the world to create problem-solving courts. These courts with collaborative interdisciplinary teams of professional and community agencies attempt to identify and to deal with some of the underlying factors contributing to criminal activity."

Underlying factors is the emphasis, which have often not been very well addressed by the conventional criminal process. The goal is to satisfy the traditional criminal law function of protection of the public by addressing in individual cases the real rather than the apparent causes that lead to conflict with the law. Mental health courts have opened in Ontario, New Brunswick and Newfoundland. Many other jurisdictions including British Columbia, Manitoba, Nunavut and Yukon are in various stages of developing them. These courts I believe can do much to alleviate the problems, protect the public, ensure that the people instead of languishing in jails get the medication and help they need.

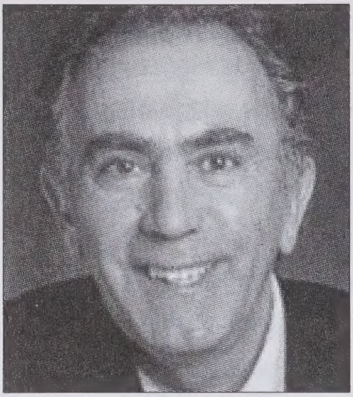
Other problem-solving courts within the Ontario Court of Justice include our drug treatment courts and the Gladue courts. Drug treatment courts deal with addicts on an ongoing basis. You will be prevented from going to jail if you co-operate, if you work to conquer your addiction. The people are brought back again and again for counselling, and for further help. Ultimately the goal is to solve the root problem, not just to process these people in and out of the courts and jails over and over again. Gladue courts of course deal with aboriginal offenders and such courts are being used in many jurisdictions.

I have spoken of four challenges. I could go on. We have many challenges in our justice system in 2007 and as you can probably tell they are challenges close to my heart and that of justice workers including judges throughout Canada. I've also described some of the efforts that are being made to alleviate these problems and ultimately with luck perhaps solve them.

Let me close on this note. Nothing is more important than justice and the just society. It is essential to the flourishing of men, women and children and to maintaining social stability and security. You need only open your newspaper to the international section to read about countries where the rule of law does not prevail, where the justice system is failing or non-existent. In this country we realize that without justice we have no rights, no peace, no prosperity. We also realize that once diminished or lost justice is difficult to reinstate. We in Canada are the inheritors of a good justice system; one indeed that is the envy of the world. Let us face our challenges squarely and thus ensure that our justice system remains strong and effective.

Thank you very much.

The appreciation of the meeting was expressed by The Hon. Madam Justice, Mary Lou Benotto, Superior Court of Ontario, and Director, The Empire Club of Canada.



March 23, 2007

A joint meeting of The Empire Club of Canada and The Canadian Club of Toronto

The Hon. Greg Sorbara

Ontario's Minister of Finance

THE ONTARIO BUDGET

Chairman: **Noella Milne**
President, The Canadian Club of Toronto

Head Table Guests

Lisa Baiton, Vice-President, Government Relations, Environics Communications, and Director, The Empire Club of Canada; Sheldon Levy, President, Ryerson University; Gail Nyberg, Executive Director, The Daily Bread Food Bank; Len Crispino, President and CEO, Ontario Chamber of Commerce; Catherine Swift, President and CEO, Canadian Federation of Independent Business; Warren Jestin, Senior Vice-President and Chief Economist, Scotiabank; Helen Burstyn, Chair, Ontario Trillium Foundation, and Vice-President, The Canadian Club of Toronto; Scott Hand, Former Chair and CEO, Inco Ltd., and Director, The Canadian Club of Toronto; Mary-Jo Haddad, President and CEO, Hospital for Sick Children; Michael MacMillan, Executive Chair, Alliance Atlantis Communications Inc., and Past-President, The Canadian Club of Toronto; The Hon. Mary-Anne Chambers, Minister, Children and Youth Services, Government of Ontario, and Past-President, The Canadian Club of Toronto; Robert Hutchison, Partner, Borden Ladner Gervais LLP, and Past Chair, Toronto Board of Trade; and Rev. Dr. John S. Niles, Senior Minister, St. Andrew's United Church, Markham, and President, Empire Club of Canada

Introduction by Noella Milne

The Honourable Greg Sorbara is Ontario's Finance Minister, and yesterday he brought in his government's fourth budget.

It is something of a tradition here at the Canadian Club that we host a lunch with the Finance Minister in the days following the budget, and I am frankly always amazed that they are still standing.

The budget process is a grueling one. It involves literally months of briefings, discussions, debates about policy, debates about messaging, decisions made, decisions reversed, priorities set, priorities questioned.

And that is as it should be.

The annual budget is the most important document a government produces. It is the document that lays out the government's priorities, and demonstrates to taxpayers how their precious money will be spent.

In today's accountability-focused climate, a budget can easily be seen as a government's contract with taxpayers.

And in an election year, which this is, it is also a key platform document.

Little wonder, then, that so much work goes into getting the budget just right.

And little wonder that it is considered to be one of the most difficult jobs in government.

Because it's not just about spending money, it's about finding money.

It's about realizing you don't have the money you thought you did.

It's about enormous pressure to spend money you don't have on programs people desperately need, and the enormous competing pressure to cut programs people desperately need in order to save money and balance the books.

Budgets are all about competing pressures and competing interests, and it is a wily and talented Finance Minister who is able to walk that fine line.

Minister Sorbara has a long and distinguished history of public service and private-sector achievement.

He was first elected MPP in 1985. In the previous Liberal government, he held a series of senior cabinet posts, including Colleges and Universities, Skills Development and Labour.

He returned to the private sector in 1995, where he served as a partner in the Sorbara Group, an Ontario-based land development and property management company. He also served as Director of the United Way for York Region.

He was re-elected as MPP for Vaughan-King-Aurora in a 2001 by-election, and after the 2003 general election became the McGuinty government's Finance Minister.

He gave us a budget yesterday that is a classic example of walking the fine line between competing priorities and interests.

From the new Ontario Child Benefit for low-income families to an increase in welfare rates and a hike in the minimum wage, this was a budget that could be seen to be a poverty fighter.

But with a business tax cut, an acceleration in the elimination of the capital tax and books that are not only balanced but in surplus, this was also a budget that could be held up as fiscally responsible and business friendly.

As I said, it's a budget that walks a fine line, and the man responsible for it is here today to tell us all about it.

Ladies and gentlemen, please welcome to our podium today the Finance Minister for the Province of Ontario, the Honourable Greg Sorbara.

Greg Sorbara

Well thank you very much. It is a thrill to be back here. I think it is a great tradition that you have of inviting finance ministers to come and speak after their budgets. Given that there is an election coming up, can I simply say that I hope I'm available for years to come. I remember my first invitation. It was after our first budget and those were tougher times and you were very, very welcoming.

You will see some bleary-eyed people amongst you. If they look as though their bags are a little bit more pronounced than usual, they work in the Ministry of Finance. I'm delighted that they have come here today to this lunch. I make the point of underlining the fact that a budget is a collective process. It is the entire government reexamining its priorities and identifying those priorities in one concise and articulate document. But there is a special tribe within the Ministry of Finance that really burns the midnight oil for literally months. This budget is being very well received. It's a tribute to the work that all of them have done under the leadership of my Deputy Minister Colin Anderson and my Chief of Staff Diane

Flanagan. They have worked tirelessly and I want to use the occasion to publicly thank them.

Since I presented the budget, people have been asking me repeatedly in interviews and informally what I liked best about our budget. I'm going to try and answer that question through the course of my remarks today. But to sum it up, I think what I like best about this year's budget is that it truly reflects the values of the people of this province. I think when a government can do that it is on very solid ground.

This province values the quality of public education. This province knows how important public education is. And this province knows that when we were elected four years ago public education was not in a good state. Our schools now are better places to learn. Anyone who is still unsure of that needs to visit a public school, needs to talk to teachers, needs to look in the eyes of students, needs to know that we no longer lose millions and millions of student days in strikes. Kids and their teachers are thriving in our schools in this province and we continue to invest in public education in our budget.

The people of this province value a strong and healthy and responsive health-care system. It is our core business. Roughly 45 per cent of every dollar that you send to us is used to strengthen health care. In this budget we are allocating some $37.9 billion to improve health care. I want to say how pleased I am that in our continuing expansion and strengthening of health care that this year we were able to add pediatric surgeries to our wait-time strategy and that means an awful lot to the folks at Sick Kids Hospital.

The people of Ontario value post-secondary education. They understand that our true strength and the quality of our society is really going to be about how well we educate ourselves. Two years ago the budget was about post-secondary education, $6.2 billion additional resources in that sector. We have got a lot more to do but we took some major steps then and we continue to invest today.

The people of this province also value the role of government in helping those who live on the edge, those who live in poverty, those who live with very meagre means, those whom society pays little attention to. We haven't done much of that in Ontario for a very long time and with this budget we turn the page. We are making significant investments in the lives of children living in poverty, $2.1 billion over the course of the next five years. We are turning the page on the way in which we have designed our system of social support. It is extremely important because it reflects the values of this province and we haven't spoken to those values very much over the course of the past many years. But it is not just benefits for children that we are transforming. We are allocating almost $400 million in additional support for better housing. Nothing is more important to those vulnerable populations than a home. With this budget far more people are going to have an address that is a good strong home.

We are also adding over the course of four years $200 million into the developmental-services sector. Let's translate that back into simpler English—those working people, men and women, who look after Ontario's disabled population, those who for the rest of their lives will live with disabilities whether of a mental sort or a physical sort. That sector, through 19 pre-budget consultations, told me clearly it needs help.

This province also values governments that live within their means. I can't tell you what a joy it is for a minister of finance to present a balanced budget. We have been working hard at this for quite a long time. Three and a half years ago this province was deeply in debt, and it was floundering and things were out of balance at Queen's Park. We have worked diligently. And this is not just magic that before an election we have presented a balanced budget. Absolutely not. You look at the progress that we've made from day one. Each financial year we have outperformed. In the first year we were down to a deficit of $1.8 billion and the year that we are just in that finishes in eight days will finish on the positive side of the ledger. We will have a surplus of about $310 million at the end of the current year. The year that we are coming into, the budget year, we anticipate a surplus of about $400 million.

But it is not just enough to balance the budget. It is equally important to place a premium on the value that the people of Ontario place on governments that can strengthen the economy. From the perspective of a finance minister, every budget is the same. The test is: does it add to the economic fundamentals of the province? I'm absolutely thrilled at the way in which we have been able to initiate programs and restructure programs with a view to strengthening the economy.

I think first and foremost among those initiatives is a full transformation of a very poorly designed business education tax. I'm not sure how many of you follow issues of taxation, but let me put it in simple terms. Does it make any sense at all when a business in the city of Toronto pays business education tax rates that are much higher than businesses across the way in Mississauga or in Vaughan? It just eschews fairness and competitiveness. So we are transforming the system. Over the course of seven years, we will lower business education tax rates in every municipality where the rate is higher than 1.6 per cent. Within seven years we will have reduced business education taxes by some $540 million and I have got to tell you when a finance minister has an opportunity to reduce taxes you know that things are going pretty well.

We've also decided to make a firm legislative commitment to eliminate the capital tax in Ontario. Those of you again who follow this stuff know that capital taxes are taxes that reduce job creation, that hamper growth, that hamstring entities large and small. They are regressive and they don't have a place anymore in the tax mix of a thriving economy like the Canadian economy. Last year Greg Duncan proposed to speed up the time for elimination of the capital taxes if the province developed the financial capacity and yesterday I was delighted to say in the legislature that we have that capacity now and we will eliminate capital tax in Ontario on July 1, 2010.

We are also transforming the property tax assessment system. It's been a nuisance. It really didn't serve the people of Ontario well so we've changed it. We've thrown out the business of annual assessments, which gave rise to such volatility and we are putting in place an assessment system that will have a four-year cycle. If assessments go up, they will be phased in over a period of four years. If assessments go down, there will be immediate benefit of that assessment for the next four-year period. We are also improving the appeal system, because it again didn't serve the people of Ontario well. We are very, very proud of the way in which we have been able to transform that system and it will serve the people of Ontario much more effectively.

I just want to wrap up with a few words about the impact of this budget on this great city of Toronto.

As we reform business education tax, the businesses in this city large and small will, when fully implemented, pay $231 million less in business education tax. It's something that our mayor here has been calling for for some time and I was thrilled that we could deliver it in this budget.

The elimination of the capital tax is going to strengthen financial markets in this city and ensure that we have a vital financial-services sector for years to come.

The investment that we are making in kids: well let's face it, there's far too much poverty in the city of Toronto and part of that $2.1 billion is going to change the lives of many of the 2.5 million people who live in the city. We are investing in more housing so more housing will be built in the city.

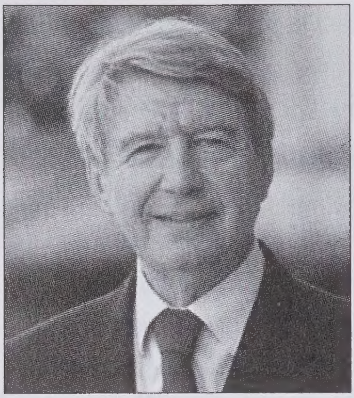
And we are investing significantly more in the arts. In my view as Minister of Finance I want to play some small role in making sure that Toronto expands its capacity as the great art and cultural capital of this continent. We made some new investments in the Ontario Arts Council and the Ontario Trillium Foundation and we helped to launch just a marvellous new enterprise called Luminato which will be a signature new arts and cultural festival, a festival of creativity, that begins on June 1 right here in this great city. I just encourage you to book off June 1 to June 10 because this is going to be a show that will attract the world. The objective is within a very short time to be at the level of the Edinburgh Festival and the festival in Venice. Given what I've seen about what's happening so far I think we are going to get there very quickly.

Finally in the budget we begin the initiative that is going to dominate public policy around the world for many years to come and that is dealing with what the premier calls the defining challenge of our generation—climate change, the impact of global warming and the steps that we have to take to ensure that Ontarians adjust to a very different way of consuming and using energy on this marvellous planet.

So there is a lot more to do. But yesterday was a particularly special day. We were able to announce that we brought the province back to financial health. We were able to say that we are entering a new era of economic strength and we were able to devote a good part of that new economic strength to the people who need it the most.

Merci beaucoup. Thank you very much.

The appreciation of the meeting was expressed by Rev. Dr. John S. Niles, Senior Minister, St. Andrew's United Church, Markham, and President, Empire Club of Canada.



March 29, 2007

His Excellency H. E. Daniel Jouanneau

Ambassador of France to Canada

ON THE EVE OF PRESIDENTIAL ELECTIONS: FRANCE'S MAJOR CHALLENGES

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada; David Ashton, Senior Student, Parkdale Collegiate Institute; Reverend Canon Anthony Jemmott, Incumbent, St. George's Memorial Church, Oshawa; Odile Jouanneau, Spouse of Ambassador Jouanneau; Philippe Delacroix, Consul General, Consulate General of France in Toronto; Catherine Swift, President and CEO, Canadian Federation of Independent Business, and First Vice-President and President-Elect, The Empire Club of Canada; Florence Jeanblanc-Risler, Minister Counsellor for Economic Affairs, Embassy of France in Canada; and Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada.

Introduction by John Niles

Your Excellency, Rev. Canon, Directors, honoured guests, and members of the Empire Club of Canada:

At the dawn of Western European history, in the northern part of North America, permanently stands France. Cartier, Champlain, Colbert and Talon. These names stand as giants of action and policy which continue to affect the world and Canada today.

But the famous French civil servant, who not only had an enormous impact on Canada but on our entire modern world, was Armand Jean Duplessis—otherwise known as Cardinal de Richileu. Few statesmen can claim a greater impact on history. Richileu was the father of the modern state. He promulgated the concept of raison d'etat and practised it relentlessly for the benefit of his country.

Henry Kissinger has noted that under his auspices, raison d'etat replaced the medieval concept of universal moral values as the operating principle of foreign policy and French policy.

Initially, Richileu sought to prevent the Hapsburg domination of Europe but he ultimately left a legacy for the next two centuries that tempted his successors to establish French primacy in Europe. Out of these ambitions, a balance of power emerged, first as a fact of life, and then as a system of organized relations between countries.

Pope Urban the Seventh is alleged to have said of Richileu: "If there is a God, the Cardinal de Richileu has much to answer for. If not, well, he has had a successful life."

Mr. Kissinger is confident that the great Cardinal would have been pleased by this comment because he knew that his policy transcended the essential pieties of his age. Perhaps he did not know that he would be one of the great founders of our modern world.

While no direct governmental links have existed between France and Canada since the mid-18th century, France has remained, not only connected to us as a founding nation of Canada but also connected to our country emotionally and practically through origins, language, culture, diplomatic exchanges and joint interests in the Francophonie in the world outside France.

For all civilized people of the world, the French have a special place in our hearts through their interest in high culture, their special personal sense of confidence, the participation of their citizens in the Enlightenment and its impact on Western political and economic traditions. French art continues to inspire us through the impressionists and many other schools of painting. French cooking, wine and cheese are standard bearers of excellence. French philosophical perspectives, as illustrated by Camus, dominated the post-World War II era as the world contemplated the futility of the violent world in which we lived and the hopeless terror of the early atomic era.

And so it is my privilege after 50 years to have a French Ambassador to Canada grace us by speaking at the Empire Club. The last time we had a French Ambassador was when Ambassador Lacoste came and spoke in 1958.

To be sure, we have had the Consul General of France and the Canadian Ambassador to France. However, it has been too long since we have had this very important privilege.

It is my particular honour to have His Excellency speak to us today.

His Excellency graduated from the French Institute of Political Studies with a Master's degree in law.

In 1974, he became First Secretary in Egypt and, in 1980, Consul General in Salisbury and then Chargé d'affaires in Zimbabwe. In 1990, he became Ambassador in Mozambique and non-resident Ambassador in Lesotho and Swaziland. In 1997, he became Ambassador in Lebanon, in 2000, Inspector General of Foreign Affairs and, in 2004, the French Ambassador to Canada.

Will you please greet with me His Excellency the Ambassador of France—Mr. Daniel Jouanneau.

Daniel Jouanneau

Mr. President, members of the head table, distinguished guests, ladies and gentlemen:

First of all I would like to extend my warm thanks to Rev. John Niles for his invitation. I am grateful, Mr. President, for your kind introduction and impressed by your knowledge of France's history.

It is a real privilege for me to be your guest, particularly as the first French ambassador to address the Empire Club of Canada in 50 years. I will advise my successor to be patient. It is always a great pleasure to be in Toronto: a city where people come from all over the world, who do not see Toronto as the end of their journey, but as a place to start new adventures, in business, the arts or public life, and to succeed.

Toronto and Ontario are more and more important for France.

Ninety-five French universities and higher-education institutions have a partnership with your universities. New agreements are signed every year.

We do more and more together in the fields of scientific and, in particular, medical research. St. Michael's Hospital, Toronto General Hospital, and the MArS Discovery District life sciences centre all have joint programs with France.

France is the third-largest foreign investor in Canada, but ranks second in Ontario. Forty per cent of French investments in Canada are in Ontario, where 200 French companies employ 30,000 people. Many of them, including small and medium enterprises, supply the American market from here. Many big names of French industry have been present in Ontario for many years. Eurocopter (a French-German company) is a leader on the civilian helicopters market in Canada. Sanofi Pasteur, which bought Connaught Laboratories in the late '80s, is now the largest Canadian manufacturer of vaccines, and has decided to invest another $30 million to increase its production capacities. Another French company is Alcatel, which acquired Newbridge. The French are present in key high-value sectors: environment, energy, insurance, banking, and industrial goods.

Ontarian investments in France are also increasing. Canada has entered the top-10 countries of origin for foreign direct investment in France, with a share that has more than doubled over the past two years. Fifty companies from Ontario have invested in France, including major groups such as Nortel, Magna International, and now Onex Corporation.

We encourage others to follow their example, and we welcome Premier McGuinty's decision to open an Ontario International Marketing Centre in the Canadian Embassy in Paris, in order to boost our bilateral exchanges. We have reached the stage where it is clearly possible to envisage a new bilateral business association, bringing together Canadian companies and French partners, not only to discuss matters of mutual interest, but to suggest measures that could interest our governments in strengthening these growing business ties.

France is an excellent gateway to the large European market with 500 million consumers. Europe is an open, single market, where borders for people and goods have completely disappeared. Today, if we Europeans want to be global, we have to be in North America. If you, Canadian friends, want to be global, you have to be in Europe.

France is on the eve of major political choices.

I say "choices," plural, because we are soon going to elect both a new President and a new National Assembly, both for five years. The presidential election is particularly important in France, given the powers our Constitution gives to the President of the Republic. French communities abroad will directly participate in the election. In Canada, 50,000 French citizens will vote at the embassy and in our five consulates-general. In all, 900,000 French citizens living abroad will vote and their weight can make a significant difference if the final race is tight.

First, we will vote for a new President. On Sunday, April 22 (April 21 for the French communities in North America), we shall have to choose between 12 candidates, including four women. The whole spectrum of political parties is covered, from extreme left to extreme right.

If none of the candidates gets an absolute majority in the first round, which should be the case—it happened in all previous presidential elections—there will be a second round, where only the top-two candidates will compete. Of the 12 candidates, three hope to be one of the successful two: Mme Ségolène Royal, M. Nicolas Sarkozy, and M. François Bayrou.

On Sunday May 6, at 2 p.m. Toronto time, you will know who is the next President of France. But you will only have a complete picture of the new French political landscape on June 17, when a new National Assembly will be elected (We also have an elected Senate, but this is not an election year for senators).

There is a huge interest in France for the campaign, and we may expect a very high level of participation.

What is this campaign about?

"Security," or safety in the streets, was the main issue five years ago. Today, the core of candidates' programs deals with competitiveness and social cohesion.

Competitiveness has become a crucial issue, as our economy is getting more and more global, and new giants such as China and India emerge. We have a broad and animated national debate around such things as:

- The ways and means to increase employment opportunities, beyond the progress achieved under Dominique de Villepin's government.
- The best way to reduce our public deficit and debt. This is considered a major challenge by the three main candidates. I have received in Ottawa, over the past months, several delegations of French senators and MPs who came to carefully study the Canadian deficit-cutting experience and its impressive results in this area.
- Tax policy. Does it fulfill its goals of promoting growth while securing fair redistribution and providing resources to a welfare state?
- Environment. How do we further promote an environmentally sustainable economic growth?
- Social cohesion. We need immigration, and France welcomes around 100,000 new immigrants per year. What should we do to offer them smoother integration? A lot has been done already. We did not wait for cars to be burnt in Paris suburbs to strongly increase budgets for urban renewal and

> new social housing, education, vocational training and community work. Promoting equal opportunities for a new generation born in France from immigrant parents has been a major priority for our government. Anybody who claims to be a victim of discrimination can seize the High Authority Against Discrimination and for Equality, whose powers have been reinforced. France's population, as in all industrialized countries, is getting older (yet, we have with Ireland one of Europe's highest population growth rates). How can we make the current pension system sustainable? How do we improve our health-care system? It is recognized by the World Health Organization as a very good one, but it is facing increasing demands for more costly long-term care.

The next President of the French Republic will govern a country, which is moving forward.

Since France is an old country, with a certain ingrained skepticism toward change, necessary reforms take more time to be accepted.

But may I quote the Economist, which wrote last October, "France is a country of contradictions where, for almost every weakness, it is possible to find a matching strength."

It is true that a segment of French opinion sees globalization more as a threat than an asset. In a small community, where jobs can depend on one activity only, outsourcing can be a trauma. But make no mistake, France is comfortable with a global world. France is the sixth-largest economy in the world, the fifth-largest exporter of manufactured goods, the fourth exporter of services. We rank fourth on the list of the world's top companies, and fourth or third, according to the year, for receiving foreign investments.

France is anything but an archaic country, unable to change. We need reforms, and we make them. Often with what Shakespeare would call a little “sound and fury,” but when we make them, they can be radical. Several big public companies have been privatized, and are now global leaders. France Telecom is private. Air France is private and very profitable since its merger with KLM. French highways are privately managed. Even water, that most public of goods, is managed privately.

Fiscal reforms are on track. Investment in new technologies is a high priority.

By the end of this year, 100 per cent of our territory will have access to high-speed Internet, which will be the highest level of broadband connections in Europe.

We lead the way in nuclear technologies, and 80 per cent of our electricity is generated by nuclear energy, Saskatchewan being one of our main suppliers of uranium. Nuclear energy is greenhouse-gas-free, and has considerably helped us to abide by our Kyoto commitments.

We have pioneered the largest high-speed train network in Europe. It takes two hours and 20 minutes to go from downtown London to downtown Paris, and the new Paris-Strasbourg train will race at 320 km/h.

We have started reforming our welfare state. Working beyond the legal retirement age is now encouraged and promoted. If the legal work-week is set at 35 hours, implementation of the law is flexible, and the actual working week in France amounts to 37.4 hours.

The deficit of the state health insurance system has been reduced by 25 per cent.

Successful reforms, often inspired by the Canadian experience, have been carried out to modernize our public services. There has been emphasis on results and performance, accountability, and online government.

Whoever our next President will be, our foreign policy will take into account several fundamentals.

The first is security and solidarity with our allies.

NATO is of key importance for our defence. France has participated in all NATO operations, and we are among the five leading troops contributors to NATO operations. For us, the transatlantic link is vital.

In Afghanistan, we pay tribute to Canada's commitment and to the courage of your soldiers. But our Canadian friends should not underestimate what France is doing. We do our share too. During the Soviet occupation in Afghanistan, France was the only country to send doctors to help the Afghan people.

After September 11, we were among the very first countries to send troops. French forces have been in Afghanistan from day one. Ten French soldiers have been killed. Today, 2,000 troops (army, navy, air force) are committed to the stabilization of Afghanistan. Among them, 1,100 are on the ground in charge of the security of Kabul. Kabul is a crucial area. There you have the President's headquarters, the government, the parliament. Any attack against Kabul would have very serious effects on the country's stability. And Kabul is not safe. We know that it remains a target for the Taliban and their suicide killers. This is why a strong and deterrent military presence is absolutely vital in Kabul.

But we have not turned a deaf ear to NATO's call for further help in Afghanistan, and for Canada's call for help in the troubled South. After the Riga Summit, we sent three "Rafale," our new generation of fighters, and the "Charles de Gaulle" carrier group is cruising to the Indian Ocean for the fourth time with 28 fighters to support ISAF operations including those in the Kandahar area, where Canadian troops are bravely serving.

We also have French officers in Kandahar, training Afghan units. France has already trained more than 4,000 Afghan officers and 51 instructors, who will join the Afghan army, and will be deployable with Afghan battalions, including combat operations.

Our military involvement is very significant, especially if you consider that, often under the UN flag and at the Security Council's request, France has deployed 14,000 troops, a similar figure to that of the United Kingdom, in strategic areas where regional stability, and in some cases international security, are challenged: Ivory Coast, Kosovo, and South Lebanon.

As is Canada, France is also making a major effort to rebuild Afghanistan, both bilaterally and through the European Union.

The European Union is much more than the largest economic power in the world.

It is a political union. We have agreed to share sovereignty in a growing number of fields, including, for 13 of our 27 member-states, creating a single currency—a development considered not too long ago as unthinkable. Half of our laws are European. The European Court of Justice is similar to a Supreme Court.

The European Parliament is directly elected by the people. The EU has brought lasting peace to our continent, where the two World Wars started. It has brought freedom, democracy, human rights and a free-market economy in Central and Eastern European countries previously dominated by the Soviet Union. It has spread wealth and self-confidence. Ireland and Spain would not be the spectacular success stories they are without Europe.

Europe is also crafting a common foreign and security policy. The last elections in Congo, a strategic state for the stability of Central Africa, have been possible thanks to a European peace-keeping mission. The European Union would not attract so many countries if it were not a success.

According to London's Financial Times on March 19, "This extraordinary and infuriating organization has shown an incomparable ability to spread stability and prosperity."

Many Europeans want the union to do more, including—paradoxically—a majority of French, in spite of their voting down the May 2005 referendum on a new European constitutional treaty. Since efficient answers cannot be national any longer, people are asking for what they call "more Europe," to fight crime, to protect the environment, to secure energy supplies, and to address immigration issues. This requires a more efficient decision-making process, to substitute, as often as possible, unanimity with majority voting.

This reform should take place in 2009 when a new European Parliament is elected. Meanwhile, the EU keeps working.

For instance, the 27 heads of state and government confirmed three weeks ago in Berlin that the EU must have a leading role in the preparation of the international agreement, which should build up and broaden the Kyoto Protocol after 2012.

As to greenhouse gas emissions, the 27 have decided to achieve at least a reduction of 20 per cent by 2020, compared with 1990. That is not a mere wish, or a recommendation, but a decision. And it means an absolute reduction, not an intensity target

As our Prime Minister stressed recently during a conference at Harvard University, the Middle East is being torn apart by a series of crises and fault lines that threaten to join together.

We have to deal separately, but simultaneously, with crises, which have their own logic, but are linked.

Any solution to the Israeli-Palestinian conflict requires the renunciation of violence, recognition of Israel by the Palestinians, a fixed date for the creation of a Palestinian state, and the creation of two states living in peace and security.

Lebanon is very special to France, because we were instrumental in the creation of this country as an independent state in 1920. A sovereign Lebanon, with stable and controlled borders, will be a guarantee of security, not only for Israel but for the whole region.

In Iraq, the end of the crisis requires, in our view, a timetable for the withdrawal of foreign troops, mobilization by the Iraqis themselves for national reconciliation, their neighbours' support to ensure Iraq's territorial integrity, and, when the time comes, an international conference.

Vis-à-vis Iran, the work undertaken four years ago by the Europeans has allowed the international community to remain firm and united. An Iran with a military nuclear capability is unacceptable. But if Iran makes a gesture to suspend enrichment, the Security Council can suspend the sanctions. Given the role of Iran in the region, dialogue with this country remains for us a priority.

Globalization creates wealth and offers great opportunities. France, like Canada, draws an enormous advantage from being a player in a global world.

But we must never forget that globalization also makes the gap between rich and poor countries wider. Increasing our solidarity with the developing countries is more than a moral duty.

If we help these countries to create more jobs, to fight against pandemics, to have better access to water, then there will be a future for their youth, and we will reduce the risk of massive migrations, which would be a major challenge for the countries in the South also.

We will at the same time address the roots of ethnic and religious tensions, because poverty and frustration are a breeding ground for fundamentalism.

This is why France has steadily increased its official development assistance, which is now 0.47 per cent of our GNP. We hope to reach 0.7 per cent by 2012. Since air transport is one of the main benefactors of globalization. President Chirac took the initiative of a surtax on air tickets in order to buy generic drugs against AIDS, malaria and tuberculosis, and deliver them to the sick especially the young ones in developing countries. We faced a lot of skepticism and opposition over this surtax, but now, 22 countries do the same, and the international fund for drug purchase facility, recently created, UNITAID, has already $300 million available.

France, as Canada, continues the G8 focus on Africa, as agreed on at the Kananaskis and Evian summits. Darfour is in all our minds, as France makes a big effort for the refugees in the neighbouring countries.

Ladies and gentlemen, as you can see, most of the challenges I mentioned are common to Canada and France. In the years to come, partnerships between Canada and France will be more necessary than ever for us.

Let me tell you this. Canada means something special for the French. Canada is a country where, 400 years ago, the French came as the first foreign settlers.

Canada, in French eyes, has an image of success, of freedom, of openness, of tolerance.

Above all, Canada, to us, stirs a deep sense of gratitude. For twice in our history, at crucial moments, hundreds of thousands of young Canadian soldiers came to France to help us recover our freedom. Some 120,000 of them still rest, and are still honoured, on French soil.

Last night, at the Moss Park Armoury, I presented six valorous veterans of World War II with the Légion d'Honneur on behalf of President Jacques Chirac. Their names are Frederick G. Barnard, Theodore John Bennett, Arthur H. Boon, Hon. Barnett J. Danson, William Henry Hale, and James Herbert McCullough. One of them landed in Dieppe and five landed in Normandy on D-Day. They were our liberators. They are our heroes, as well as yours.

On April 9, we will celebrate, in France and in Canada, the 90th anniversary of the Battle of Vimy Ridge.

We will never forget the 3,598 Canadian soldiers who still lie there, soldiers from all over the country, so many of them from Ontario, all volunteers, all so young. Resorting to innovative tactics, and fighting for the first time as a full army corps, they conquered a previously impregnable strategic hill, and gave their lives for the liberty of France. They defended values common to our two countries, and of paramount importance to us both even today.

On this day of remembrance—Vimy Day—more than ever, the French people still say: "Thank you Canada."

The appreciation of the meeting was expressed by Catherine Swift, President and CEO, Canadian Federation of Independent Business, and First Vice-President and President-Elect, The Empire Club of Canada.

H.E. Daniel Jouanneau, Ambassador of France to Canada, Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and William G. Whittaker, QC, Partner, Lette Whittaker, and Immediate Past President, The Empire Club of Canada.

April 12, 2007

Linda Hasenfratz

Chief Executive Officer, Linamar Corporation

THE NEW FACE OF LINAMAR: THE EVOLUTION OF A BRAND

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Gareth S. Seltzer, CEO, TWS Canada, and Past President, The Empire Club of Canada; Andrew Kurek, Senior Student, Western Technical Commercial School; Grant Kerr, Pastoral Associate, St. Paul's United Church, Brampton; Maureen Cowan, Chairman and Co-CEO, Princeton Holdings Limited; Charles Fremes, President and CEO, Edelman Canada; Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada; Charmain Emerson, CEO, Building Blocks Communications; and Bliss A. White, Partner, Blake, Cassels & Graydon LLP.

Introduction by John Niles

The great American poet and philosopher, Henry David Thoreau, once said, "Things do not change, but we do."

It was four years ago that Ms. Hasenfratz came to speak to us. At that time, our President John Koopman spoke of how "the modern environmentalists at that time were telling us that the car was the bane of the modern world even as the modern economist called it the core of the modern economy. Yet, he said, "...in 1911, the environmental authorities said it was not the car that was the greatest polluter but the horse—with its urban problem of rancid rotting horse carcasses and fly-infested manure piles created by the 25,000,000 horses used for transportation at the time." It was the horse that was driving the economy at that time just as the auto industry does today.

Much has changed with the passing of time, for now with the advent of the new technology for a cleaner more efficient environmentally friendly car dawning, again we are seeing that it is not the car that is the number-one polluter and certainly not a horse, but rather the cow.

Cows have been awarded the dubious honour of being among the world's greatest environmental threats according to the United Nations Food and Agriculture Organization. Livestock accounts for 18 per cent of all greenhouse gas emissions compared to 13.5 per cent for all forms of transportation.

Perhaps the auto industry can offer a further answer to this problem by ordering more leather seats for our cars and steak dinners for the buyers. Does your company make leather seats Ms. Hasenfratz?

The same month that Ms. Hasenfratz spoke to us four years ago, Dieter Zetsche spoke about his passion for the completion of the instillation of Chrysler in the division of the Daimler Company. This month we have all heard how that has worked out. The industry is not an easy one to compete in. And even as our economy remains driven by the automobile, there are only three domestic manufacturers left and these three survive only at the very tail end of a complex web of hundreds of automobile parts, components and systems suppliers.

One of those suppliers is Linamar. Like so many of Canada's great organizations, an immigrant to this country founded Linamar. Forty years ago a Hungarian immigrant named Frank Hasenfratz started the company in his garage.

Linamar has since grown to over $1.2 billion in sales and there is over $60 of Linamar content in every North American vehicle. It is apparently the only company in the world that produces every machined part used in a motor vehicle.

In 1990, Linda Hasenfratz joined the company as a machine operator. This machine operator subsequently held positions in quality assurance, engineering, production materials management and finally in the ultimate self-sacrifice, as manager of an accounting department. Perhaps this leader-as-servant thing has gone a bit too far. She also has a BSc and an MBA from Western. In 1999, she assumed the company's presidency, by then probably to her own regret, one of the best-trained executives in Canada.

Ladies and gentlemen, please join me in welcoming Ms. Linda Hasenfratz, the President and CEO of this great Canadian success story to the podium of the Empire Club of Canada.

Linda Hasenfratz

Good afternoon. It is my pleasure to be here today to talk to you about Linamar Corporation, a company that has evolved over the last 40 years of business to be a world-class, enterprising company enjoying new successes every year. I would like to share those successes with you and describe how our evolution has led us to re-brand the company to better reflect who we are today and what our capabilities are.

Linamar was founded in 1966, 40 years ago, in the basement of our family home by my father, Frank Hasenfratz. Those of you who know my father know there are few his equal in terms of his entrepreneurial spirit and drive for success. His passion and enthusiasm provided the basis for a company culture at Linamar focused on the future.

That focus has taken us from a one-man machine shop in 1966 to an 11,000-employee-strong company of ingenious people working collaboratively with our customers for solutions to their highly engineered product needs. Our customers respect us for our agile, responsive approach to satisfying their needs, whether for the precision metallic components, modules and systems of our powertrain driveline business, or the high-quality, innovative aerial work platforms our globally successful Skyjack business produces.

Today, Linamar operates 36 plants in seven countries around the world in North America, Asia and Europe. We have five product development centres, nine sales offices and generated sales in 2006 of $2.3 billion. Clearly, we have had a busy 40 years!

So what does all of this have to do with branding?

Well, let's start by understanding what a brand really is. The marketing companies out there will tell you a brand is a promise of value to your stakeholders. What that means in real English is your brand tells people who you are as a company, where you are going, what they can expect from you, and what they perceive you to be.

It sums up your culture, your strengths and your aspirations in short.

It does that in a few ways. The most obvious indicator of your brand is your logo. But your logo is only a part of the story. Your brand comes through as well in the consistency of the message that you deliver to people, in the look and feel of your promotional material, your advertising and marketing materials, in the way you present yourself to potential customers, employees and shareholders, and in the language and tone you use when you describe your company.

Sounds a little esoteric for a hard-core manufacturing company, I know.

The thing is, it is critical for any type of company to have a consistent message to their customers, employees and shareholders of who they are in order to help achieve their goals. If your customers don't understand what you can do for them and how you will approach business, you won't maximize your opportunities with them. This is particularly true for a company extending its global reach. In many areas of the world, Asia being a notable example, customers almost care more about how you approach business than what your business is. Your brand helps you explain that to them.

Branding brings a company customers, but also employees and shareholders. It is your brand that drives people to make decisions about which company they want to work for, invest in, buy from, or support.

As an example, picture yourself walking into the supermarket to buy some cookies for your kids. You are faced with more than 300 varieties of cookies. How do you choose? Normally it is the brand that drives that choice. Certain brands have a reputation for quality, others for good value, others for great taste. Your decision on the cookies will depend on the key criteria you are looking for and the brand that you know best reflects that criteria.

It is exactly the same behaviour that brings customers, as well as shareholders and employees, to a company like Linamar. Our stakeholders have choices as well, and criteria of what they are looking for in a supplier, investment or employer. If we do a good job of explaining who we are and what we stand for to those stakeholders, and our brand represents the criteria they are looking for, we have won a new customer, shareholder or employee.

So why did we need to look at a re-branding exercise at Linamar?

Well a big reason is simply how much the company has evolved over the last 40 years, and the last 10 in particular.

Historically, we were a "make to print" machining company based in Guelph, focused on mainly automotive/light vehicle business, generating millions of revenue through a focused employee base of hundreds, and later thousands of people.

Today, we manufacture machined components, but also modules and even full powertrain/driveline systems as well as mobile industrial products, such as our scissor-and-boom lifts, which utilize powertrain systems.

We still make product for the automotive market, but have become much more diverse in our market segmentation. Today, we make products for the industrial, mining, construction, marine and agricultural markets to name a few. Our powertrain and driveline components and modules can be found in light vehicles, but also medium and heavy-duty trucks.

We still make some products to our powertrain/driveline customers' blueprints, but increasingly are becoming very involved in the design of the products we produce, and of course are fully design responsible for our class-leading aerial work platform products produced at our Skyjack subsidiary. We were recently recognized by the auto industry for outstanding innovation in cylinder head design to improve fuel efficiency by virtue of being named a finalist in the prestigious Pace Awards. Our scissor lifts are regularly cited by our customers as being number one in terms of quality, reliability and serviceability.

Our global growth and organizational structure of many small autonomous plants run by entrepreneurs also led to a lack of consistency in our messaging and look, another driving force in our desire to create a consistent, high-impact brand.

We have a very exciting future ahead of us as well, with great growth opportunities in both our powertrain/driveline and industrial businesses. The automotive market is obviously a key focus for our powertrain/driveline business, and the volatility and change in this market is creating huge real-time growth opportunities for us. Similarly, our industrial business is enjoying great growth prospects as we implement our product and global expansion strategies.

Clearly, Linamar is a different company today than we were in the past, and that new company needed a new look, and a new look that could be applied consistently across the Corporation. The perception of what we are has not kept pace with what we have become.

We wanted to brand ourselves in such a way to better reflect our values, our strategy, our accomplishments, our strengths and our culture all of which have played a huge part in our success.

So how do we sum up all of this information? As we worked on this assessment, certain words began evolving, words like Enterprising, reflecting our value of entrepreneurism and our strategy of growth. We also thought of Precision—reflecting the quality of our precision metallic products, and class-leading scissor lifts and booms. We kept coming back to the words World Class—

something we consistently see in our products, our design, our employees and our performance. We felt our values of responsiveness and respect, and strategy of designing and manufacturing our products meant our approach is consistently Collaborative. Our responsiveness also makes us Agile as we strive to meet our customer demands and work to improve every day, consistent with our focus on Lean, efficient operations. And certainly, our values of innovation and balancing customer, employee and financial satisfaction have led us all to be Ingenious in our day-to-day work—something you can see by walking into any of our plants any day.

We have lots of wonderful stories and examples of all of these elements of Linamar's success.

A great story about Ingenuity comes from the very first days of Linamar. My father was a one-man show in those days, juggling running a machine in the basement with knocking on doors to win business and delivering the parts he produced. As he worked on the manual lathe in the basement, he noticed his movements were happening in rhythm with the washing machine wringer working away next to him. It didn't take him long to have the washing machine disassembled and the motor installed on the lathe to automate production. Now mind you, my mother was not too impressed by his Ingenuity as it left her with no way to deal with the mounds of laundry generated by a new baby and a three year old, but my father was certainly pleased with the improvement in his own productivity, something he continues to passionately pursue today as any Linamar employee can vouch for.

I can see those lessons still in action today. Recently I visited one of our plants in Hungary, where I saw a very simple automation system in place unloading three machining centres and delivering all parts back to a central operator. The system had been designed by the plant engineers and locally fabricated for a grand total cost of about $15,000. For those of you in the manufacturing business, you know such a system would generally be quoted by an automation supplier in the neighbourhood of half a million dollars. Ingenuity is alive and well at Linamar.

Enterprising is certainly a word that comes to mind when you think of the entrepreneurs running Linamar's businesses. One of our most vibrant entrepreneurs is our company president, Jim Jarrell. Jim was always hungry to grow his business. I remember an occasion recently where Jim had been summoned to visit a customer who was looking for a price decrease on a particular part. Jim came back from the meeting and reported that not only had he avoided giving a decrease, but had actually received a price increase on that particular job and two new "Request for Quotations" for new jobs. Now that is Enterprising, not to mention Agile, Ingenious and World Class! I still haven't quite figured out how he pulled that one off!

It is the image that these words bring to mind that we wish to start to form in the minds of our customers, investors and our employees, current and future.

These words create a picture, which of course is only part of the story. The other key is the look of your message and a big part of that look is your logo.

Our existing logo, which you may be familiar with, depicted Linamar in green lower case letters in a green box. We felt we needed to make some changes. We wanted to get rid of the box—we think outside the box not inside it!

We felt the colour was not right either or the font. You can see the new look of Linamar on the materials on the table in front of you and here on the screen.

We went with the colours copper orange and metal grey, reflecting our proud history of metallic product manufacturing. Copper orange is also a dynamic colour that symbolizes the energy and enthusiasm of our employees.

The thick bold capitalized letters say we are a world-class organization, strong, proud and successful.

The diamond icon at the start of our logo reflects several things. The individual diamonds collaborate together to make up the whole just as our small entrepreneurial plants make up our company. Diamonds are strong and precise, like we are. Visually it gives you an impression of a cutting tool but also suggests the height and expansion features of our scissor-and-boom lifts. Finally, it points forwards and upwards reflecting all of us driving relentlessly towards our goals.

We kept our tag line "Power to Perform" because it reflects so well who we are. Our culture gives us the power to perform to our targets. Our hard-working enterprising people give us the power to win new business. Our ingenious systems and processes give us the power to exceed the needs of customers, employees and shareholders.

At Linamar, we live our tag line every day!

We are very excited about the future at Linamar. Opportunities certainly exist for us to drive towards our goal of being $10 billion in sales by the year 2020. Our vision is crisp, precise and focused, and powered by some of the most enterprising and passionate people working in our industry.

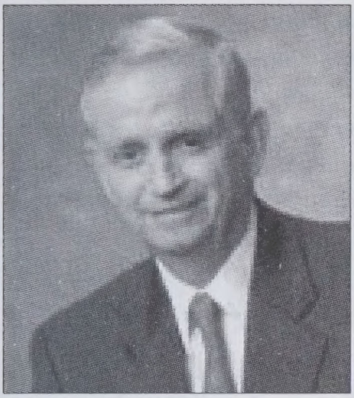
We have a new image of Linamar today that portrays that ambitious vision without losing touch with what has made us successful in our first 40 years. While our brand may have changed to reflect the strength and unity of our growing organization, the values that have driven our success for over 40 years remain intact.

I will wrap up today with a brief video summarizing for you our thinking around this re-brand.

A video was shown.

Thank you for being with me today to mark an important milestone in our company's history.

The appreciation of the meeting was expressed by Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, and Director, The Empire Club of Canada.



April 19, 2007

J.W. Marriott, Jr.

Chairman and CEO, Marriott International Inc.

TRAVEL—A FORM OF TRADE BETWEEN THE U.S. AND CANADA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Diana Conconi, Senior Vice-President, Partner and Deputy General Manager, Fleishman-Hillard Canada, and Director, The Empire Club of Canada; Nicole Carnovale, Student, University of Guelph; Tad Callister, Mission President for Toronto-East Church of the Latter Day Saints; Ron Harrison, President, Marriott Hotels of Canada; James J. Lawson, CEO, Westerkirk Capital; Steve Gupta, President and CEO, Easton's Group of Hotels; David L. Lindsay, Deputy Minister, Ontario Ministry of Tourism, and Director, The Empire Club of Canada; Ken Fowler, President, Ken Fowler Enterprises Ltd.; and Garnet T. Watchorn, President, Graywood Developments.

Introduction by John Niles

Honoured guests, Directors, members and guests of the Empire Club of Canada, it was Benjamin Disraeli who said, "We wander for distraction, but we travel for fulfillment."

That is unless you have five children, as I do, and cared for over 1,000 more. No parents I know wander for distraction, because if they did they would truly be distracted by the continual phrase that is like a hammer against their skull that all parents have heard and because of which they have wanted to pull their hair out by their roots: "Are we there yet?"

But thanks to the interstate highway system said Charles Kuralt, "It is now possible to travel across the country from coast to coast without seeing anything." Except for the one place every parent who has travelled too long and too far wants to see—the Marriott.

This is because of Mr. Marriott's vision for his company to be the number-one lodging company in the world, which is grounded in his intense focus on taking care of the guest.

Known throughout the industry for his hands-on management style, Mr. Marriott has built a highly regarded culture that emphasizes the importance of Marriott's people and recognizes the value they bring to the organization. Marriott International's "spirit-to-serve" culture is based on a business philosophy started in 1927 by his parents, J. Willard and Alice S. Marriott—"Take care of the associate, and they'll take care of the guest." Today, approximately 151,000 Marriott associates are serving guests throughout the world.

At an early age, Mr. Marriott developed a passion for the business and worked in a variety of positions in the Hot Shoppes restaurant chain during his high school and college years. He joined the company full-time in 1956 and soon afterward took over management of Marriott's first hotel. Mr. Marriott became Executive Vice-President of the company, then its President, in 1964. He was elected Chief Executive Officer in 1972 and Chairman of the Board in 1985.

Mr. Marriott serves as a Director of the United States Naval Academy Foundation. He serves on the Board of Trustees of the National Geographic Society and the J. Willard and Alice S. Marriott Foundation and is a member of the Executive Committee of the World Travel and Tourism Council and the National Business Council. Mr. Marriott is Chairman of the President's Export Council, a presidential advisory committee on export trade, and he serves on the U.S. Travel and Tourism Advisory Board (TTAB) and on the Secure Borders Open Doors Advisory Committee (SBODAC). In addition, he serves as Chairman of the Leadership Council of the Laura Bush Foundation for America's Libraries.

Mr. Marriott attended St. Albans School in Washington, D.C., earned a B.S. degree in banking and finance from the University of Utah and served as an officer in the United States Navy. He is an active member of the Church of Jesus Christ of Latter Day Saints. He is married with four children and 13 grandchildren. So he too has heard the phrase "Are we there yet?"

Will you please greet with me Mr. Bill Marriott, Jr., Chairman and Chief Executive Officer, Marriott International Inc.

J.W. Marriott, Jr.

It's great to be here in Canada.

My feelings for Canada aren't just personal. A little over 20 years ago, we opened our first hotel here—the Toronto Airport Marriott. Since then, we have added more than 50 hotels in Canada. We'll be adding another one when we open the Residence Inn in downtown Toronto later this month. Thanks to the people in this room, we're accelerating our growth in this country.

Last year I was in Toronto to break ground on our Ritz-Carlton Hotel and to see the model rooms in our residences. I hear they're selling great. I hope some of you got in on the ground floor!

Let me start out by admitting my bias. As a businessman in a global company with more than 2,800 hotels in 68 countries, I believe in free trade. I think travel should be as free as possible, too, because travel is trade, just like when we sell you agricultural products or you sell us oil. When a Canadian visits our Times Square Marriott and takes in a Broadway show, that's a U.S. export. When a newly married couple honeymoons in Lake Louise, that's a Canadian export to the U.S. Even more than other forms of trade, travel creates human bonds of friendship and understanding between nations.

Canada and the U.S. are each other's largest trading partners with Cdn$2 billion worth of trade crossing our shared border every day—and a big part of that is travel.

But travel between our countries—particularly U.S. to Canada—is suffering right now. Overall, trips by U.S. residents to Canada are down more than 17 per cent over last year. Same-day automobile trips are down a startling 23 per cent.

We can point to several reasons including exchange rates and high gas prices, but I believe there is also confusion over the U.S. government's new passport requirements. These came into effect on January 23 as part of what we call the Western Hemisphere Travel Initiative, or WHTI. WHTI means that everyone travelling by air between the U.S. and Canada, as well as Latin America and the Caribbean, must have a valid passport to re-enter the U.S. It won't apply to automobile travellers until over a year from now, but I believe confusion over the new law is clearly contributing to the steep decline in car travel.

No industry is more aware of the incredible importance of security than ours. We were hit very hard by the terrorist attack on 9/11. Our own company lost two associates that day. And our Marriott World Trade Center Hotel was reduced to dust. In Jakarta one of our properties experienced a car bombing and in Islamabad one of our associates gave his life stopping a suicide bomber from entering one of our hotels during a busy time of day.

Security is critical. But getting it right doesn't mean closing our borders, and it can't mean choking off the lifeblood of travel between our nations, because if that happens, the terrorists have won.

Right now, the U.S. Department of Homeland Security is working on a pass card that will work a lot like the electronic system drivers from the "905" area use to access highway 407. It's critical that the U.S. government gets this right—that it's ready in time, that it works, and that it's not too expensive.

I'm going to keep pressing on this issue, because we simply can't afford a permanent drag on our cross-border travel.

There are other issues, of course, some which need addressing on the Canadian side of the border, too.

You may know that the World Economic Forum recently released its first travel and tourism competitiveness report. Canada continues to rank among the top world destinations, which comes as no surprise as Canada is a beautiful place to visit. You ranked second in the world in air transport infrastructure and fourth in terms of using the Internet to book travel needs. That's spectacular.

But the report also pointed out that the high cost of airport fees, high taxes on ground transportation and hotel rooms discourages many travellers and probably keeps you from scoring even higher.

But I want to commend the Canadian government for recognizing the critical role of hotels to economic development and extending the exemption for the GST/HST visitor rebate program, enabling meetings, conventions and tour packages to receive a tax rebate.

There's an even larger issue on the horizon, though. It's a good news, bad news deal.

The good news is historically low unemployment figures. In the U.S., we've gone beyond full employment to acute labour shortages in many industries, especially ours.

I noticed that unemployment in Vancouver is 2 per cent. That's great. But Burger Kings and McDonald's are being forced to shut down because of a lack of workers.

The labour shortage is a big problem in Alberta where the tar sands projects are attracting skilled and non-skilled workers with extremely high salaries. The government is responding with programs designed to help the private sector in Alberta.

But the challenge continues across all of Canada. We recently opened a new hotel in Edmonton and we had to turn away business in the first two months due to labour shortages.

We're opening a new JW Marriott resort near Muskoka in Ontario, and we already know we will have to bring in many workers from other countries to open it.

Our industry faces a North American labour challenge. Something's got to give.

In the U.S. alone, it's estimated that we will need an additional 300,000 workers in the next eight years. And it's not just our industry.

I recently wrote about this on my blog; yes, I do have a blog, because I'm really a very hip guy, despite appearances, and I got a response from a steel fabricator in Phoenix, Arizona, who said he had the hardest time finding fitters and welders for his plant at $20 an hour.

We clearly need a humane and practical solution to immigration.

The U.S. government is wrestling with this right now. I'm glad your House of Commons was able to defeat a bill prohibiting replacement workers in federally regulated companies. But this was the 11th such bill, and already a new one has been tabled.

Every nation has the right—and duty—to control its borders and regulate labour. Respect for the law is critical. But we have to face facts, and the reality is that you can't have growth without jobs, and you can't have jobs without the people to fill them.

I am committed to working with our Congress and the administration on immigration reform that provides opportunities for the millions of eager workers who want to share in the American dream.

In a service business like ours, everything comes down to people—and our company is full of extraordinary people with extraordinary stories.

Like Mohammad Zolfagharian, our room service server at the Calgary Marriott Hotel. Mohammad happened to serve breakfast to Richard Robbins, the famous motivational speaker, when he stayed with us. Robbins was so impressed with Mohammad's genuinely warm, friendly and thoughtful service, his attention to detail and his dedication to exceeding expectations, that he not only wrote to Mohammad's manager praising Mohammad to the skies but he wrote a column about him. Now Richard

Robbins and Mohammad are writing a book together about what it means to provide really superb service.

But what Robbins didn't know at the time was Mohammad's story. This man with the ready smile and sunny disposition who was so attentive to his every need is a refugee from Iran, where he was unjustly imprisoned and tortured for many years before finally coming to Canada in 1990. Mohammad has now—at the insistence of his 70-year-old mother—forgiven his tormentors, and his heart is simply filled with gratitude toward Canada for taking him in and embracing him as a new citizen.

Last year, Mohammad was one of Marriott's 10 Award of Excellence winners—out of some 143,000 employees worldwide.

I'm proud that Marriott has been listed as one of the 50 best employers in Canada—and the number-one hotel company. I'm especially happy because it means we attract the best of the best—like Mohammad—which means our business model is working.

That business model was created by my Dad when he opened his first root beer stand in Washington, D.C., 80 years ago. It's really simple. If you treat your people well, they'll treat your customers well, and they'll keep coming back and back and back. In whatever country you do business in, service is a universal language. It doesn't matter if it's Toronto, Detroit, Dubai or Beijing. It's the foundation of human relations.

That's why the travel part of trade is so critical, not only to the economy, but to the bonds of friendship between nations.

The friendship between our two nations is unparalleled. We share 3,000 miles of unfortified borders—a situation that is unique in human history, but not surprising when you consider our shared ideals of human freedom and opportunity for all.

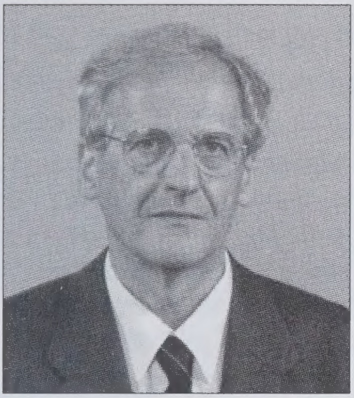
Opportunity is what has made our countries great. It's what has made me proud to be part of this industry for more than 50 years, and proud to be able to call myself a colleague of so many of you here today.

The future of this industry has never been brighter, and the opportunities never greater. We're entering an era of unmatched global growth, including massive growth in worldwide travel. With your leadership we can all be part of making a bigger, better future for our citizens and cementing the great friendship between our two nations.

Thank you very much.

The appreciation of the meeting was expressed by David L. Lindsay, Deputy Minister, Ontario Ministry of Tourism, and Director, The Empire Club of Canada.

Verity Craig, Principal, Hays Executive, and Director, The Empire Club of Canada, William G. Whittaker, QC, Partner, Lette Whittaker, and Immediate Past President, The Empire Club of Canada, and Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham.



April 24, 2007

His Excellency Laszlo Solyom

President of the Republic of Hungary

HUNGARIAN-CANADIAN RELATIONS

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group, and Director, The Empire Club of Canada; Reverend Zoltán Vass, First Hungarian Presbyterian Church; Anita Varga, Grade 11 Student, Humberside Collegiate Institute; Frank Hasenfratz, Chairman of the Board, Linamar Corporation; Dr. László Simon, President, Hungarian Canadian Forum; His Excellency Robert Hage, Canadian Ambassador to Hungary; Bart Mindszenthy, APR, Fellow CPRS, Partner, Mindszenthy & Roberts Corp., and Past President, The Empire Club of Canada; His Excellency Pál Vastagh, Ambassador of the Republic of Hungary to Canada; The Honourable Diane Finley, Minister of Citizenship and Immigration, Government of Canada; and Peter Munk, OC, Chairman, Barrick Gold Corporation, and President, The Peter Munk Charitable Foundation

Introduction by John Niles

Your Excellency, Honoured Ministers, Past Presidents, Directors, members and guests of the Empire Club of Canada:

The great Hungarian poet Peteofi said this:

"Here is the time, now or never!

Shall we be slaves or free?
This is the question, answer!
By the God of the Hungarians we swear,
We swear to be slaves no more!"

These are the valiant words that rallied a people to freedom.

The Hungarian people know well the promise and price of freedom. Many living today lived through the long terrifying nightmare of fascism, or communism, and some lived through both.

Yet the Hungarian people never lost hope for a better tomorrow. They kept the flame of faith alive as they sought and fought for freedom.

And 50 years after they watched the Soviets invade their beloved homeland, they now freely watch as their grandchildren play in the fields like all other grandparents do in free and democratic countries throughout the world—without concern for life or limb.

Freedom though, is never free; it costs. And it cost the Hungarian people greatly. Yet, it is a price found to be worth paying.

This has been the experience of the Hungarian people. For in the end, a life of liberty can be delayed, but it can never be forever denied. His Excellency Laszlo Sólyom is one who understands this intimately.

The Hungarian National Assembly (Parliament) elected László Sólyom, the former chief justice of the Constitutional Court, as the new President of the Republic of Hungary on June 7, 2005.

His Excellency, who is not a member of any party, took the oath of office immediately after the vote in a formal ceremony in Parliament.

His Excellency was the first chief justice of the Hungarian Constitutional Court between 1990 and 1998. He was also a member of the "Opposition Roundtable," which in the late 1980s took part in talks with the then-ruling Communist Party and helped set the ground rules of the transition to democracy.

In 1998 he was awarded the Grand Cross with Star of the Order of Merit of the Federal Republic of Germany.

In 1999 he was awarded the Grand Cross of the Order of Merit of the Republic of Hungary.

In 2003 he received the medal of the Nagy Imre Order of Merit.

Will you please greet with me His Excellency Laszlo Solyom, President of the Republic of Hungary.

Laszlo Solyom

Mr. President, ladies and gentlemen, first of all let me thank the Empire Club of Canada for your kind invitation.

I am delighted to be here today to talk about the relationship between Canada and Hungary, about events 50 years ago that brought our nations closer together, and finally the present economic situation in Hungary.

We attach great importance to our ties with Canada. Our bilateral relations are free of any problems. We are political and military allies on the basis of our NATO membership and economic partners based on trade relations and investments.

My visit takes place after the celebration of the 50th anniversary of the Hungarian Revolution of '56 that forged personal ties between our two countries as early as half a century ago. Hungary is beholden to Canada for admitting 40,000 refugees who escaped from the communist dictatorship in 1956. Those people had left their homeland without any hope and found a new country, a new home in Canada.

This is the reason why I express my appreciation to the government of that time led by Prime Minister Louis St. Laurent for admitting a considerable number of refugees. Special acknowledgement is given to the then-Minister of Immigration John Pickersgill since it was largely due to his personal support and assiduous work that Canada became one of the major host countries providing shelter for Hungarian refugees. Canada's leaders have certainly realized that the Hungarian Revolution was not only the cause of Hungary but that of the whole world. Despite all the victims and all the suffering the revolution was not in vain. The revolution and freedom fighters of 1956 shook the Soviet block to its foundations and the peaceful transition in 1989 can be traced back to this historic event.

The transition and democratization that took place at the beginning of the nineties was not as rapid as many had hoped, but Hungary developed a model for democratic foundations and political stability based on its constitution. It was the only post-communist country where Parliament served the full term. We have never had early elections. I should like to add that according to international literature Hungary is one of the countries where the constitutional accord played a decisive role in its democratization and is a model for other countries. Ten years ago a university selected countries with the most significant constitutional accords in the world and invited them to a global constitutional seminar. I was delighted to attend that event, together with representatives from the Canadian Supreme Court.

Today Hungary has become one of the rare functioning democracies and market economies of our region. The economies of Hungary and Canada are functioning well and we share the same values. Hungary became a member of NATO in 1999 and in 2004 it joined the European Union as well.

Following the social and political changes in Hungary, economic and trade co-operation between our countries grew stronger. Canadian capital investments in Hungary of about US$2 billion played an outstanding role in this. The biggest investments were made in real estate development, but Canadian investors are present in almost all spheres of the Hungarian economy. Firms such as Xenon, Bombardier, ATCO, Rio Algom, First Hungary Fund, Cineplex Odeon, and CNS Lavalin have all set up manufacturing plants in Hungary.

Given the enormous economic strengths of Canada there are certainly other possibilities to increase these investments and to expand them to other areas as well. The fact that Hungary is an attractive target for investors is reflected by the numbers. In 2006 some US$6.1 billion worth of foreign direct investments (FDIs) arrived in Hungary and my country is still ahead of others in the region in terms of FDI per capita. Hungary offers an outstanding economic climate as a basis for further developing relations. In 2006, Hungary's GDP grew 3.9 per cent. The government is carrying out measures to balance the national budget. As growth is driven mostly by exports namely by the two-digit expansion of industrial exports, the 11.9 per cent increase in productivity in 2006 is an important indicator. Hungary is still number one in the region in terms of unit labour cost.

Thanks to our favoured geographical location, Hungary functions as a bridge between east and west. Hungary has skilled, creative workers. However, for investors utilizing the potential of the Hungarian market, it may not be the only consideration. Hungary may serve as an excellent base for their business plans because of the untapped economic potential of the south-eastern and eastern European region. The government has other incentives to make Hungary even more attractive for foreign investors such as tax breaks, EU funds, and government subsidies awarded to major investors on a case-by-case basis. Hungary attaches great importance to ideas that promote trade going beyond the traditional bilateral format, for instance in the fields of research and technology development or regional possibilities within the EU.

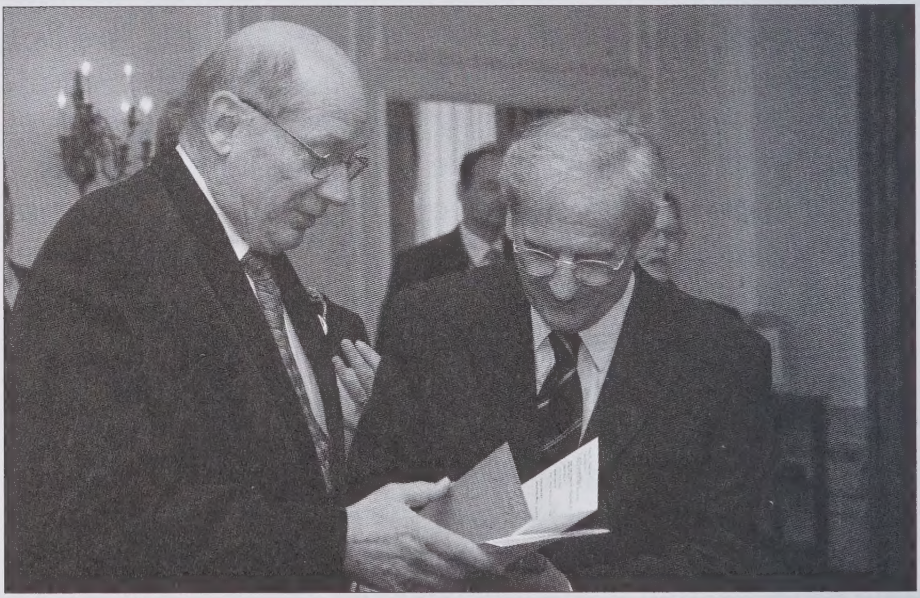
Considering the economies of Hungary and Canada, we see an excellent opportunity for strengthening the ties between our two countries in the fields of information technology, telecommunications, the pharmaceutical industry or even mining. The volume of trade between Hungary and Canada is very modest but has a chance of growth. Last year for the first time in many years our exports to Canada grew much more than that of Canada to Hungary. We would like to further expand our exports in the IT sector and through the exports of Canadian firms settled in Hungary in the car equipment and subway industries or by the promotion of typical Hungarian products.

In closing please allow me to say a few words about the one issue casting a shadow over our otherwise excellent relations.

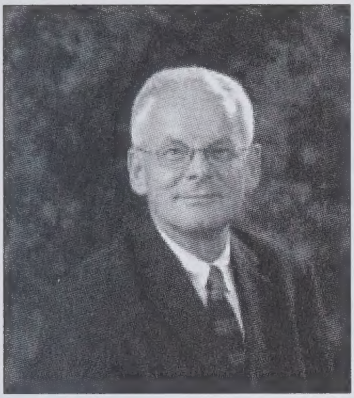
There is an irregularity in the travel requirements of our respective citizens. As Hungarians we still need a visa for travel to Canada. We believe that the situation is not commensurate with our excellent relations and long-standing partnership as allies. The conditions, that necessitated the imposition of a visa requirement for Hungarian citizens in 2001, have changed considerably, due partly to our membership in the EU. Hungarian travellers pose no security risks to Canada. It is clear that the settlement of this issue requires political decisions. I would like to use my stay here to request my Canadian hosts to lend their support to the resolution of this problem.

I hope that our future political, diplomatic and economic co-operation will be enhanced by this state visit and we will have favourable results both for Canada and Hungary. Thank you for your kind attention.

The appreciation of the meeting was expressed by Bart Mindszenthy, APR, Fellow CPRS, Partner, Mindszenthy & Roberts Corp., and Past President, The Empire Club of Canada.



William G. Whittaker, Partner, Lette Whittaker, and Past President, The Empire Club of Canada, and His Excellency Dr. László Sólyom, President of the Republic of Hungary.



May 3, 2007

William Thorsell

Director and CEO, Royal Ontario Museum

THE MUSEUM AS THE NEW AGORA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Stanley H. Hartt, Chairman, Citigroup Global Markets Canada Inc., and Director, The Empire Club of Canada; J. C. Fiorillo, Senior Student, George Harvey Collegiate Institute; Rev. Bill Middleton, Minister, Armour Heights Presbyterian Church; David Pecaut, Chair, Toronto City Summit Alliance, and Senior Partner, Boston Consulting Group; Sal Badali, Director, Public Sector Practice, Deloitte & Touche, and Chair, ROM Board of Trustees; Dr. Murray Frum, Chairman, Frum Development Group; Ann Curran, Director, Corporate Relations, AIC Limited, and Past President, The Empire Club of Canada; Margaret Wente, Columnist, The Globe and Mail; Jim Temerty, Chairman, Northland Power Inc., and Chairman, ROM Governors; The Hon. Hilary M. Weston, CM, OOnt, Former Lieutenant-Governor of Ontario, and Chair, Renaissance ROM Campaign; and Catherine S. Swift, First Vice-President and President-Elect, The Empire Club of Canada, and President and CEO, Canadian Federation of Independent Business.

Introduction by John Niles

Past Presidents, Directors, honoured guests, and members of the Empire Club of Canada:

When we talk about culture and its role in and importance to society, I suspect we would all have different definitions of what that means. In a mainstream sense, culture is typically viewed as consisting of elements that are passed from generation to generation by learning, including such components as values, norms, institutions and artifacts. In Canada, as we are such a young country, our culture is in many respects very formative. The fact that we often define ourselves as who we are not—not Americans, not Europeans—is indicative of the fact that our culture is still evolving. However, there does seem to be a growing acceptance among Canadians of the fundamental importance of culture to a society, and the need to be more deliberate in its promotion and development.

Our distinguished speaker today is very much a cultural leader in Canada and his work at one of our most important cultural institutions, the Royal Ontario Museum, is having a major impact on Canadian culture and how it is perceived both domestically and internationally. William Thorsell began his career in journalism, writing on such issues as national politics, law and constitution, economics and culture. He held the position of Editor in Chief at the Globe and Mail from 1989 to 1999, leading an editorial team, which garnered international acclaim and several national newspaper awards. During that period, he presided over a major redesign of the Globe, following which the paper has been cited four times by the Society of Newspaper Design as the best designed newspaper in the world.

In the cultural world, Mr. Thorsell is so highly regarded that he was invited by the Vatican to make his observations at the Fifth Centenary of the Vatican Museum and share his ideas with the Pope.

Mr. Thorsell was appointed Director and CEO of the Royal Ontario Museum in the summer of 2000. In that role, he has displayed remarkable vision in leading the museum through its most significant renovations and expansion. Today we have the pleasure of hearing one of his final updates to the community prior to the much-anticipated opening of the Michael Lee-Chin Crystal on June 2.

Please join me in welcoming William Thorsell.

William Thorsell

Like individuals, corporations and countries, cities go through cycles in their development; cycles characterized by ambition or complacency, creative focus, wounded caution or maybe just naiveté. Toronto is an example of this, and it is my contention today that Toronto is now beginning another cycle of somewhat confident creativity, although this is not yet certain. Risks remain of stasis, misdirection or even retreat.

Let us consider the generation of the 1950s—the so-called "Leave it to Beaver" generation, the parents of the Baby Boomers. This generation is often disparaged as overly conventional and conservative—an unflattering and inaccurate portrait painted, not surprisingly, by its own Baby Boomer children, who broke into the 1960s with such "counter-cultural" energy. Everything about their parents' generation looked ordinary and unimaginative from the vantage of those summers of love, women's liberation, Woodstock and demonstrations against the war in Vietnam. Creativity and freedom were the mantra of the young.

There was truth in some of that. But this generational lens obscures much about the 1950s that was innovative and brave—not least decisions taken then about the City of Toronto.

Yes a subway was begun here in the 1950s—an act of foresight. But the most telling and inexplicable of these acts was a decision taken in 1957 to launch an international architectural competition for a new city hall in Toronto. And then came the remarkable choice of a little-known Finnish architect,Velljo Revell, to build two facing, curved structures gathered around a domed council chamber in front of a severe, beautiful public square on Queen Street—Toronto's new City Hall.

There was no precedent for this architecture in the late 1950s. It had nothing to do with the prevailing International Style, much less anything happening in provincial Toronto. It was an outlier, a radical personal vision by an unknown foreigner chosen by a seemingly brittle city with something stirring in its soul and imagination—or at least, chosen by a panel speaking in its name.

By 1964, this vision took form on Nathan Phillips Square with marvellous effect, including the installation of a then-controversial sculpture by Henry Moore. It was the generation of the 1950s that did it and set off an intense period of smart and ambitious city building by the same cohort.

Soon after, the Toronto Dominion Bank shelved its plans to build "the tallest concrete structure in the Commonwealth" as its head office and, with the spark of Phyllis Lambert igniting the intelligence of Alan Lambert (no relation), the TD chose the eminent architect Mies van der Rohe to design one of the world's great examples of the International Style in the new TD Centre on King Street.

Across Bay Street, the Bank of Commerce took the cue and hired I. M. Pei to design its elegant, powerful stainless steel tower that expressed another brilliant variant of Modernism here. Toronto was reaching up in quality as well as in scale.

At the same time, Toronto became conscious of the unique value of its central city neighbourhoods and, in a move of great symbolism, stopped the Spadina Expressway and block-busting public housing projects to nurture its inherited intimacy.

This felicitous combination of "tending to the garden" and also embracing the dramatic new continued into the 1970s with Eb Ziedler's Ontario Place and Queen's Quay Terminal renovation, soon joined by his wonderful Eaton Centre. Then again, out of the blue, another outlier arrived on Toronto's skyline with the CN Tower—still the most beautiful communications structure in the world.

Toronto's city Planning Department created an innovative and effective urban design unit to focus on streetscapes and open space—the public living room of the city. By 1976, Fortune Magazine could run a cover announcing North America's New Great City—the City of Toronto, the city that works—creative, risk-taking, worldly, visionary, intimate, humane, safe, clean and prosperous all at the same time—as Peter Ustinov famously remarked, "New York run by the Swiss."

The foil to all this was, of course, New York itself, which, like other big American cities, was falling into ruin in the 1970s.

And so Toronto reached the top of that cycle of confidence, focus and creativity in the arms of the 1950s generation, and then, under the Baby Boomers who followed, began its gentle slide.

After a decade of pleasant complacency in the 1980s, Toronto visibly retreated through the 1990s, hit by one of the worst recessions in North America, disadvantaged by poor leadership at the provincial and local levels, distracted by bureaucratic reforms and restructuring, and challenged by new patterns of technology and immigration.

By 1999, foreign media were exploring what had gone wrong with Toronto, and the citizens themselves could no longer deny the visible signs of its distress in deteriorating public spaces and services, stalled downtown development and fractious local government.

Yes, there were some points of light—the de-zoning of some central city lands and a few bright developments here and there such as the Calatrava Court at BCE Place and the McKinsey Building on Charles—but North America's new Great Cities were now south of the border again, including New York and Chicago to which Toronto was now unfavourably compared—a remarkable reversal of fortune.

This, along with a reviving economy in the latter 1990s, created the conditions for Toronto's cycle to alter again. Complacency gave way to doubt, frustration, embarrassment and then finally anger at Toronto's retreat. In this newly agitated context, a few vectors of revival were born, the most unlikely being our beleaguered cultural institutions.

I will not go into the miracles of Superbuild here, or the astounding support of private individuals and corporations for our large cultural projects in Toronto, including those for Renaissance ROM. It is enough to see these projects (along with the condominium boom and some developments at the Waterfront) as evidence that the cycle is once again on the upside, and that Toronto is again moved by conviction and creativity, though again I would caution that our public agenda remains oddly off-centre in important ways.

I do say with some satisfaction that the Royal Ontario Museum has been at the forefront through this regenerating process, and is creating the most radical re-imagination of architecture, function and public space in Toronto since Revell's new City Hall in 1964.

Daniel Libeskind's Michael Lee-Chin Crystal on Bloor Street asserts a new sense of the possible and creates a new reference point for what comes next in this city. Alan Gotlieb has said that great cities must have the capacity to astonish, and the ROM is consciously investing in that idea on the most desirable piece of real estate in urban Canada.

Architecture is the most public of the arts, and among the most permanent. Cultural institutions, above all, have a responsibility to be vigorous patrons of architecture, pushing boundaries, empowering genius—creating art rather than simply collecting and presenting it. This will be tested at the ROM in early June when Mr. Libeskind's Crystal opens to the world—and I believe the test will be passed.

But there is another aspect of the ROM's project that I want to explore today in the context of the city—the role of the Museum as the New Agora in our society, the meeting place, the common ground, the town square.

In Europe and North America, the museum's function is expanding from those of collection, research, conservation, exhibition and education to that as an instrument of urban renewal and social integration. This is why I have spoken here at some length about Toronto's cycles of development, because cultural institutions such as the ROM are now playing such an important role in shaping the current cycle in this city.

In his famous book, "The Culture of Cities," Lewis Mumford said in 1938: "Layer upon layer, past times preserve themselves in the city until life itself is finally threatened with suffocation; then in sheer defence, modern man invents the museum."

In Mumford's analysis the museum was isolated from the city precisely to give the city the opportunity for life. He said: "By confining the function of preservation to the museum, we thus release space in the rest of the city for the fresh uses of the living. ... The museum gives us a means of coping with the past, of having significant intercourse with other periods and other modes of life, without confining our own activities to the molds created by the past." Mumford saw the museum as a vaccination against the dead hand of history.

The often forbidding architecture of museums suggested just such a mission—yes, as temples to art and research, but also as fortresses to keep the layers of the past safely inside. Museums classically sat apart from the lively texture of the city, behind walls and gates, up great stairways, across moats and squares, on hills or in precincts of their own. These devices were entirely intentional.

But this now is an aging portrait of great museums—at least in the West. Museums are no longer saviours of cities because of their isolation—if that was ever one of their purposes—but because of the engagement of museums with cities, their function as common ground and agents of provocative conversation.

Museums have assumed an essentially urban personality—multi-faceted, layered and complex places bound up with the community in a myriad of ways, accessible and transparent on the street, thus the new Agora, the new common space, the new city square. Why? In part, so museums can generate revenue as government operating support declines year after year, decade after decade. But the more important reason arises from something of an historical accident.

Our societies have become segmented and particularized in a world of increasing mobility and technological change. In our major cities, the Western Canon appeals to a declining plurality of the population. We no longer meet most of our neighbours in the town hall or through the common prayer book. In the multi-cultural and technologically decentralized societies of the West, adult encounters with the exploding diversity of the city tend to occur in commuter trains, shopping malls, media and to some degree, the workplace—at distance.

We may well live in a Global Village, but through immigration to our major cities, we experience the Global Village as a Globe of Villages—our own city as a physical patchwork of distinct cultures, delightful in many ways, but also a fracturing of common ground where we actually live our lives.

In this context, we need new, shared space and places of encounter—a new Commons, a new Agora. (Parenthetically, this is why I so fervently support public funding of integrated public schools.) Museums are capable of contributing to this because, more easily than many traditional cultural forms, they can engage diverse interests initially on their own terms.

The ROM, for example, is among the few remaining "universal" museums of culture in the world, gathering and studying the material evidence of all cultures in all places over time. In the past, many of these collections served to give insights to the local population into the exotic and the strange. Now they reflect the heritage of many people who live in Toronto itself as though the ROM had been created as a universal museum in 1912, and was effectively waiting for the cosmopolitan city that eventually emerged around it.

The ROM is also a significant museum of natural history under the same roof—another historical accident challenging the assumption that Man and Nature sit apart—a self-centred and naïve assumption if there ever was one.

Beyond great architecture and amenities, this gives the ROM a capacity for resonance in the whole city, even as the whole city evolves. Our new community centres must be cosmopolitan centres and museums can be among the best of them.

If great cities must have the capacity to astonish, they must also offer the likelihood of encounter with wonder and pleasure in the company of others. Such encounters arise from many sources, but wonder and pleasure should certainly spill out of the halls of museums of art, culture and science, with their knowledge and curiosity rampant on a field of beautiful spaces that encourage social engagement and reflection.

As the ROM continues to unfold over the next three years, you will see the arrival of many collections and specimens that have been stranded in the museum's vaults for generations and new acquisitions to enrich them. You will have far more access to important research by our curators and their colleagues working around the world, both in culture and in natural history.

In the field of cultures alone, you will see new galleries for Japan, China, Korea, Canadian First Peoples, Africa, the Americas, Asia Pacific, South Asia, the Middle East, Rome, Byzantium, Modern Design, Costume and Textiles and Contemporary Cultures from around the world. Oh and yes—a new gallery for Canada too.

From the natural world, you will encounter brilliant collections of minerals and gems, fossils recording the miraculous "Big Bang of Life" 520 million years ago, dinosaurs and the delicate web of biodiversity so much at issue in our own time.

You will be invited to participate in debates, lectures, demonstrations, concerts and films. You will encounter jazz on Thursday evenings, the music and arts of many cultures on Friday nights, and the pleasures of conversation, song and special events for young people on Sunday afternoons.

You will have the opportunity to meet new people in an elegant setting that includes restaurants, lounges and distinctive retail. On the Bloor Street Plaza outside the Michael Lee-Chin Crystal, you will bustle through musicians, magicians, mimes and metamorphoses.

In Daniel Libeksind's architecture, you will learn another language of space and form and come to know a new face of beauty, playing with light across the days and seasons in Canada's most romantic buildings. On the street, you will not walk past a fortress, but rather gaze through glass walls into galleries of Africa and haute couture, even as you meet your friends for a ROMtini on the rooftop bar.

In all this—in the Museum as the New Agora—we hope you will also find your own personal quiet spaces where you return for pleasure, contemplation and solace. This is what great cities must offer, and what the ROM aspires to provide.

Yes, we need another $50 million in capital contributions to complete the project in addition to the $250 million we have raised so far and yes, we need something more than 15 years of cuts to our annual operating budget by the Ontario government to sustain our mandate. But Toronto is restive with retreat and insistent on advance and we are determined to be a significant part of making this new cycle real.

The ROM belongs to you. More pointedly, the ROM belongs to everyone. We look forward to meeting all of you there—often.

The appreciation of the meeting was expressed by Ann Curran, Director, Corporate Relations, AIC Limited, and Past President, The Empire Club of Canada.

Catherine S. Swift, President and CEO, Canadian Federation of Independent Business and First Vice-President and President-Elect, The Empire Club of Canada, The Hon. Hilary M. Weston, CM, OOnt, Former Lieutenant-Governor of Ontario, and Chair, Renaissance ROM Campaign, William Thorsell, Director and CEO, Royal Ontario Museum, Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, and Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Chairman, The Empire Club of Canada Yearbook.

Jocelyn Badovinac, UE, MEd, DH, OLJ, MMLJ, Honorary Director and Archivist, The Empire Club of Canada, and Kim Shannon, President and Chief Investment Officer, Sionna Investment Managers Inc.

May 10, 2007

Kim Shannon

President and Chief Investment Officer, Sionna Investment Managers

WHO IS AFRAID OF THE CANADIAN STOCK MARKET?

Chairman: Dr. John S. Niles
President, The Empire Club of Canada

Head Table Guests

Jo-Ann McArthur, Consultant, and Director, The Empire Club of Canada; Sally Hakim, Senior Student, Monarch Park Collegiate Institute; Rev. Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Pamela Jeffery, President, Women's Executive Network; Richard Rooney, President, Burgundy Asset Management; Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada; Michele McCarthy, Lawyer, McCarthy Law and Chair, Toronto Port Authority; and Oliver Murray, President and CEO, Brandes Investment Partners & Co.

Introduction by John Niles

For most of us the future represents those untroubled days when our dealings will prosper, our friends will be true and our happiness is assured.

Not so for that poor Toronto lady who was recently told by her doctor that she had but six months left to live. She said, "Well what do I do?" The doctor told her to marry a financial advisor and move to North Dakota. She said, "But doctor, that won't cure me, will it?" The doctor said, "No lady it won't cure you but the six months will seem like forever."

Samuel Clemens, also known as Mark Twain, said, "January is a very bad month for speculating, just like February, March, April, May, June etc."

Twain, of course, was right; speculating can be dangerous and history tells us there are few winners. In fact there used to be a theory that the "odd lotter," the small investor who purchased less than a board lot of 100 shares, usually bought at the peak of a market cycle and sold at the bottom of a cycle.

Well the small investor today has, more often than not, used mutual funds as the favoured vehicle for investing. They offer diversification, a multitude of different products to choose from, and the professional expertise that investors now realize they require.

The mutual fund industry has grown dramatically over the years and along with other institutional investments, such as pension funds, completely dominates the financial markets. And one of the leaders in this field is Kim Shannon, CFA, MBA, President and Chief Investment Officer of Sionna Investment Managers.

Kim founded Sionna in the summer of 2002, and has 24 years of investment management experience. She was previously Chief Investment Officer and Senior Vice-President at Merrill Lynch Investment Managers, Canada, and led large capitalization equities at AMI Partners.

Kim earned her BA in Economics and Commerce at the University of Toronto with distinction. Kim is a Past President of the Toronto Society of Financial Analysts and is currently on the CFA Institute's Financial Analysts Seminar Board of Regents, the Canadian Coalition for Good Governance's Accounting and Audit Policy Committee, as well as several charity, financial and investment committees. Kim was awarded the Morningstar Fund Manager of the Year for 2005.

Kim Shannon

Canada geographically sits beside the world's biggest, deepest, most vibrant economic superpower on the planet today. Our economy ranks fourteenth based on GDP. A long-time favourite pastime of Canadians is to compare and contrast ourselves to our neighbours to the south and speak with pride about what we think is better here, but all too often the Canadian psyche looks for our shortcomings.

I have been employed in the Canadian capital markets since 1983 and over that time, the belief has flared and died down several times that the Canadian stock market is soon to disappear and join a North American stock market melting pot, that sometimes includes Mexico. Fortuitously, this has not yet occurred, and I do not believe it is likely to occur anytime in the foreseeable future.

Today I want to address a few of the negative and doomsday comments about the Canadian stock market by providing some context and possibly even refuting some of these comments.

Argument #1: Canadian equities have outperformed global indices in the last few years. This is largely due to the run up in commodity prices. Therefore, it must be time to underweight Canadian stocks.

The implication of this argument is that Canada is likely to earn a lower return for investors in the next while. Thus, it is basically a timing suggestion with a short-term perspective in mind.

In Economics 101, we learned that excess profits attract competition, which creates more supply, which pushes out the supply curve until the price falls and a "normal profit" is earned again. Conversely, sub-par profits will lead to players exiting the marketplace, which creates a decline in supply until prices and profitability rise back to a "normal profit" level. This relentless force pushing towards "normal profits" is true at a company level, an industry level and a country level. In the short run, anomalies (such as early stage growth, emerging industries, franchises, niche markets, competitive advantages) can occur, but in the long run "normal profits" reign.

That's the theory and numerous studies show that it also holds in the real world. A recent study by the Center for Research in Security Prices (CRSP) published in 2004 looked at a global universe of over 2,500 developed market large cap stocks. The stocks were divided into groups of similar level Return on Equity (ROE) and tracked over the following five years. This was repeated for each year starting from 1971 (when the MSCI Index was begun) through to 1999. The results showed that, over five years, the higher returning groups experienced an erosion of their profitability, while the worst returning groups saw their overall ROE rise over the five years.

So what is a normal return for stock markets? Over a 30-year time horizon (1970–2001), a selection of major markets including Canada, the U.S., the U.K., Japan and Germany, all had annualized total returns of 10.7 per cent to 12.0 per cent—a fairly tight range. Also, a study on the earnings growth of 16 major countries over 100 years (1900–2000, FAJ 2003) showed that average annual earnings growth was 5.1 per cent for all countries and 6.4 per cent for non-war torn countries. Over that period, dividends would have been approximately 4.5 per cent on average, which suggests that total returns, assuming that P/E multiples remained constant, would then be 9.6 per cent on average for all countries and 10.9 per cent for non-war torn countries.

This centralization of long-term returns over extended periods of time for most stock markets at 10 per cent–12 per cent is remarkable and is further collaborated by a noted trend, namely that with the advancement of globalization, market returns around the globe are converging, and the benefits to global diversification are diminishing. Thus, it appears that a "normal" profit level for a mature stock market is approximately 10 per cent–12 per cent per year.

Most investors invest for the long run since the timing of markets or sectors is well known to be notoriously difficult to do consistently well. The argument that the Canadian market strength has probably run its course so now is the time to underweight Canada goes against most market wisdom that says to base your asset mix on asset liability matching at a pension level or risk reward tradeoff pattern at an individual level and maintain your asset mix and diversification over time. So while I support the notion of taking away your excess profits, I believe this should only extend to the point that you take your weighting in Canadian equities back to their ideal asset mix level.

Argument #2: Canada's top three sectors (industry groups) represent over 70 per cent of our overall market capitalization. That is "too undiversified" and investors need greater levels of global exposure in compensation.

This argument implies that investors are fearful that they may earn less by investing in Canada, and that the Canadian market may be more risky and may have greater volatility than a global market basket.

But what is a "normal" sector spread for a market? The U.S. is considered to be a gold standard of depth and diversification, yet it has almost 53 per cent of its market centred in three sectors (Financials, Info Tech and Consumer Staples). Germany's top three sectors is 62 per cent, U.K.'s top three is 58 per cent, and Australia's top three is 72 per cent. Further, I have seen no evidence that a "balanced" weighting, if one existed, leads to better, less risky returns. Ricardo's famous Law of Comparative Advantage, which shows the benefits of trade, points out that if every country focussed on the products that they were most efficient in producing and exported them, while importing from other countries what they were inefficient in producing, then global wealth would rise and country wealth would rise and all would benefit. This justifies the idea that countries should have greater weights in sectors in which they have a cost and productivity advantage in, which is what appears to be the case for Canada in the Financials and Resource sectors.

Financial Services most frequently shows up as one of the three largest sectors in most markets. In general, the Financial Services sector reflects the overall Canadian economy as consumers and businesses deposit assets and the bank lends out and supplies services to Canada. The resources reflected in the Energy and Materials subsectors are priced on the margin by global demand and thus reflect the strength or weakness of the overall global economy.

In this respect, the Canadian stock market's sector concentration in resources and financials can be viewed as positive from a diversification benefit as these two sectors are negatively correlated.

Thus the argument to underweight the Canadian market and redeploy to global markets will likely expose investors to currency risk, while essentially providing a similar return in the long run. With a fiscally prudent government, low government debt, low corporate debt, low consumer debt, low and targeted inflation and possibly still a cheap currency, this may not be the best time to take on excess currency risk as a Canadian.

Argument #3: Global buyouts, mergers and consolidations are removing so many Canadian large cap stocks that we will soon no longer have a viable, stand-alone stock market.

All markets experience a natural evolution of new companies emerging and growing in weight by acquiring others, while other companies are declining, getting taken over, or going under. From 2003 through 2006, foreigners spent $210 billion on acquisitions of Canadian-controlled assets, but Canadian firms did $225 billion of deals for foreign assets, according to Crosbie and Co. That figure will only be aided by Thomson Corp.'s recent bid for Reuters.

Throughout my entire career dating back to the early 1980s, I have heard the forecast that the Canadian market will shortly disappear and we will soon become a North American market. The markets are subject to fads and fashions. If I had known with certainty that all the trust companies, Imasco, Seagrams, Labatt, Molson, Dylex, Laidlaw, Nova, Placer Dome, Telegraph, Dofasco, Noranda, and Falconbridge would be gone from the market over the next 25 years, I too would have believed that the Canadian market would have truly disappeared.

But evolution creates new names as well. Most of the life insurance industry de-mutualized seven years ago, and SunLife and Manulife entered the capital markets. The government privatized companies such as Air Canada, Petro Canada, and CN Rail. Telus, Potash, TSX, Income Trusts and Royalty Trusts have emerged over the last decade, as well as RIM, Celestica, and Canadian Oil Sands Trust.

Despite the headlines, a recent article in the London Financial Times noted that net attrition to foreign takeovers in Canada has been 2–3 per cent of market capitalization since 2004. Furthermore, Canada's market capitalization versus the S&P market capitalization in 1999 was less than 4 per cent and today is 10 per cent, and although our currency has done better, it doesn't entirely explain this rise. In 1996, Canada had only one corporation in the world's top-200 companies by market cap and today we have seven. Fourteen Canadian stocks are included in Fortune's list of the largest 500 companies (in comparison, Switzerland had 12, Australia had eight). Since NAFTA in 1994, more foreign companies were purchased by Canadian companies than Canadian companies were purchased by foreigners.

It appears that the Canadian capital market has grown up, that we are no longer a branch plant economy and that we are active acquirers of foreign firms ourselves.

Argument #4: Resource stocks are cyclical stocks, commodity prices will soon collapse and thus one should underweight the resource-exposed TSX.

Markets are more frequently range-bound than they are in a bull market. After a period of enthusiasm for financial assets, where the prices of stocks rise and P/E multiples expand, the market then capitulates and consolidates and trades in a range-bound area for 15 to 30 years. There will be strong rallies and frequent pull backs until all financial excess has been removed and P/E multiples correct. Since 1929, P/E multiples have corrected down to single-digit multiples before the market can then muster new enthusiasm with novice investors to lead another bull run.

Financial assets, represented by the stock market, and hard (or fixed) assets tend to have valuations that move in opposite directions. When financial assets are rising in value, hard assets tend to fall and visa versa. Canada, one of the most resource-heavy stock markets, has tended to outperform other major markets when hard assets values are rising, as is currently the case.

Since Canada is in the seventh year of what is usually a minimum 15-year sideways market, and also given that P/E multiples globally are above their historical averages, as a value manager I remain reasonably confident that hard assets likely have another five to 10 years of decent performance.

Further, although resources are notoriously cyclical (meaning they move with a three-to-five-year economic cycle), they also respond to periodic supply shortages with longer-term secular responses. Again, we are comfortable that the move-in resources, particularly oil and gas, may well have a bit more time to play out. If this is true, this may be one of the "best of times" to be invested in the Canadian market and it would be a shame if Canadian investors were under-invested at this time.

After refuting less than ideal advice, like market timing, potentially excessive diversification, and excessive currency risk, I thought I would conclude by sharing with you an excellent piece of investment advice by Jacob

Fugger the Rich. He lived 500 years ago, yet this simple and effective advice has stood the test of time.

"Divide your fortune into four equal parts: stocks, bonds, real estate and gold coins. Be prepared to lose on one of them most of the time. Whenever performance differences cause a major imbalance, rebalance back to the four equal parts."

Adequate diversification is always appropriate. Today the average Canadian pension fund has allocated 28 per cent of its assets to non-domestic securities, which is the global median. My concern is that investors are being advised to go significantly higher than this level for timing reasons, or false perceptions of the relative risk or return of the Canadian market.

Since most Canadian investors will live and die (to put it bluntly) in Canada, there is no need for them to be exposed to excessive currency risk, especially since Canada provides similar returns to any other major market in the long term.

Thus, Canada deserves an appropriate and significant position in your portfolio.

And let us be proud of the progress our capital markets have made. Foreigners might want to buy our stocks, but our stock market will continue to evolve and exist and serve us for the future years to come.

Thank you to Mel Mariampillai and Susan Ko for helping me prepare this speech.

Thank you so much for doing me the honour of addressing you today. I really appreciate it.

Good afternoon.

The appreciation of the meeting was expressed by Heather Ferguson, President, The Hearing Foundation of Canada, and Director, The Empire Club of Canada.

May 17, 2007

The Hon. Michael Kirby

Chairman, Canadian Mental Health Commission

CHILDREN'S MENTAL HEALTH IS EVERYBODY'S BUSINESS

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sylvia Morawetz, Treasurer, Canadian Alliance for Children's Healthcare, and Director, The Empire Club of Canada; Christian Henderson, Independent Student; Georgina Steinsky-Schwartz, President and CEO, Imagine Canada; Jan Couto, Staff Chaplain, Whitby Mental Health Centre; Dr. John Roder, Senior Investigator, Samuel Lunenfeld Research Institute, Mount Sinai Hospital; Brigid Murphy, Chair, The George Hull Centre for Children and Families, and Senior Vice-President, The Dominion of Canada General Insurance Company; Paul Beeston, CM, Chair, Board of Trustees, Centre for Addiction and Mental Health; Verity Craig, Divisional Director, Hays Executive, and Director, The Empire Club of Canada; Dr. Peter Menzies, Clinical Head, Aboriginal Services, Centre for Addiction and Mental Health; Helen Burstyn, Chair, Ontario Trillium Foundation; Gordon Floyd, Executive Director and CEO, Children's Mental Health of Ontario; and George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.

Introduction by John Niles

Honoured guests, Past President, Directors, members and guests of the Empire Club of Canada:

It was Emmy-nominated actress Elizabeth Lawrence who said, "There is a garden in every childhood, an enchanted place where colours are brighter, the air softer, and the morning more fragrant than ever again."

Though this ought to be the case, for many children this is not the case due to mental illness.

Mental health is fundamental to children's social and emotional development, and therefore to well-being and function throughout their entire lifespan. However, an estimated 14 per cent of children (or 800,000) in Canada experience mental disorders that cause clinically significant symptoms and impaired functioning. Anxiety, behavioural and depressive disorders are the most common mental disorders among children. Mental disorders frequently persist into adulthood and cause lifelong distress and disability. Given the associated human and fiscal costs, mental disorders are a leading health concern in Canadian children after infancy.

Michael Kirby was born in Montreal on August 5, 1941. He has a BSc and an MA in Mathematics from Dalhousie University. In 1965, he received a PhD in Applied Mathematics from Northwestern University. In 1997, he received an honorary degree of Doctor of Laws at Dalhousie University.

Senator Kirby was Principal Assistant to the Premier of Nova Scotia from 1970 to 1973 and served as Assistant Principal Secretary to the Prime Minister from 1974 to 1976. He was President of the Institute for Research on Public Policy from 1977 to 1980.

From 1980 to 1983, Senator Kirby was Secretary to the Cabinet for Federal-Provincial Relations and Deputy Clerk of the Privy Council. In this capacity, he was deeply involved in the negotiations, which led to the patriation of the Canadian Constitution and the inclusion of the Charter of Rights in the Constitution.

From 1982 to 1984, Senator Kirby also served as Chairman of the Task Force on Atlantic Fisheries. This task force was responsible for the restructuring of Canada's east coast fishing industry.

In 1983, Senator Kirby was appointed Senior Corporate Vice-President of Canadian National. He was summoned to the Senate on January 13, 1984.

From 1984 to 1994, Senator Kirby was Vice-President of Goldfarb Consultants, an international market research firm headquartered in Toronto.

From 1999 until 2006, Kirby was Chair of the Senate Social Affairs Committee and was the principal author of a 2002 report by the committee on Canada's health-care system. That work led the committee to a more detailed focus on mental health, which produced an authoritative three-volume interim report in November 2004 and a widely heralded final report in 2006.

On August 15, 2006, Kirby announced his resignation from the Canadian Senate effective on October 31, 2006. He now serves as Chairman, Canadian Mental Health Commission.

Please greet with me Mr. Michael Kirby.

Michael Kirby

Thank you.

This is now the second time I have had the honour to address the Empire Club. The title of my previous talk back in February 2006 was "Curing Canada's Sick Health-Care System." Many of the issues that I spoke about at that time were based on a report that had been produced in October 2002 by the Senate Committee that I chaired.

In May 2006, our committee released another major report, this time on mental health, mental illness and addictions. It is as a result of that report, called Out of the Shadows at Last, that I stand before you today. For the first time in Canadian history, a report has shown a national spotlight on mental illness and mental health issues.

Two months ago, I was asked by the federal government to chair a new Mental Health Commission whose task is to make sure that mental health issues never again return to the shadows in this country.

I will focus today on one critical task that faces us in this regard—ensuring that the mental health of children and youth is given the attention it deserves—but let me first say a few words about the significance of the creation of the Mental Health Commission of Canada.

One in five Canadians will experience a significant episode of mental illness over the course of their lifetime. Yet, it has been estimated that only one-third of the people who could benefit from professional consultation for mental health issues actually get to see someone who could help them.

Can you imagine the public outcry if this were the case with any other illness—if, say, only one third of the people needing cancer treatment actually received it!

This has to change.

People living with mental illness have the right to obtain the supports and services they need. They have the right to be treated with the same dignity and respect that we accord to everyone struggling to recover from any form of illness.

The good news is that for the vast majority of people living with mental illness recovery is possible. When I speak of recovery I do not necessarily mean cure. In fact, recovery will mean different things to different people.

For many, recovery will mean finding a way of living a satisfying, hopeful, and productive life even with limitations caused by their illness; for others, recovery will indeed mean the reduction or complete remission of symptoms related to mental illness.

There is widespread agreement across the mental health community that recovery must be the goal of the mental health system.

The Mental Health Commission of Canada

Transforming the organization and delivery of mental health services and supports so that it promotes recovery is a long-term project. It is also an extremely urgent one because of the many decades of neglect suffered by the mental health sector, and because of the real discrimination inflicted daily on people who experience mental health problems.

During its mental health study, the Senate Committee was told repeatedly by people living with mental illness that the suffering they experienced on account of the stigma they encountered was often worse than the suffering caused by their illness itself—particularly when this stigma comes from family, friends and co-workers.

Until public attitudes towards people living with a mental illness change, until they are accepted without having the label "mentally ill" attached to them, our work will not be done.

Over the years, governments have rightly shut down the old psychiatric asylums. But they never fully put in place the necessary community-based services to replace the institutional hospital beds that had been eliminated.

The result has been that our prisons and homeless shelters have become the "asylums" of the 21st century. This is intolerable in a country as rich as Canada.

The creation of the Mental Health Commission marks an important step forward in redressing this neglect, in combating ignorance and in fighting stigma and discrimination.

The federal government has agreed to fund the commission, and all the provinces and territories have enthusiastically supported its creation. The commission has also been endorsed by all mental health stakeholder communities.

Structurally, the commission will be a national body, not a federal one. It will operate at arms length from all levels of government. Government will be represented on its Board, but the majority of directors will come from the non-governmental sector. No single interest will be able to dominate the functioning of the commission.

The mandate given to the commission follows precisely the proposal that was contained in Out of the Shadows at Last. First and foremost, the commission will become the national focal point for making progress on mental health issues.

It will be a catalyst for the reform of mental health policies and improvements in service delivery and it will act as a facilitator, enabler and supporter of a national approach to mental health issues.

The role of the commission is not to replace governmental and non-governmental initiatives, but to add value to efforts that are already underway. At the same time, the commission will undertake a number of key tasks that, currently, no one is in a position to perform.

First, the commission will conduct a 10-year campaign against the stigmatization of mental illness and against all forms of discrimination faced by people living with mental illness.

Second, the commission will build a pan-Canadian Knowledge Exchange Centre that will allow people living with a mental illness, their families, caregivers, service providers, researchers, government policy makers and the general public to access evidence-based information about mental health and mental illness and to enable people across the country to engage in a variety of collaborative activities.

Finally, the commission will facilitate a process to develop a national mental health strategy for Canada.

Canada is the only member of the G8 not to have a national mental health strategy. This sends out a terrible signal to people living with mental illness and their families. It tells them, "You don't matter." It also means there is no national focus to the debate on mental health issues and no possibility of a co-ordinated attack on mental health problems.

Canada also lags well behind countries like Australia and Scotland in our efforts to educate the public on the nature of mental disorders. These countries have shown clearly that attitudes towards mental illness can be changed, and that the right kind of public campaign can help these attitudes to change. Hence the need for a sustained, multi-year anti-stigma effort by the commission.

The third task—to build a knowledge exchange centre—will fill an important vacuum. There is currently no easy way for researchers to share information across the many disciplines that touch on mental health issues, nor is there an easy way for people to engage with others who have a common interest. The knowledge exchange centre will be both a source of information and a medium of interaction.

Accomplishing the commission's tasks will require the co-operation of people across the country—those who are affected by mental health issues, and those who are trying to find ways to improve the lives of the hundreds of thousands of Canadians living with mental illness.

Children and Youth Mental Health Concerns Us All

Mental health has often been described as the orphan of the health-care system. Children and youth mental health has also rightly been called the orphan of the orphan. It is long past time for this neglect to be redressed.

Let me give you an idea of just how serious the situation is and how many young people—and their families—are suffering unnecessarily:

- Last month, a study by Sunnybrook Health Sciences Centre found that almost 50 per cent of Canadian adolescents aged 15 to 24 who are depressed and suicidal are not accessing mental health services;
- 15 per cent of those who suffer depression commit suicide;
- According to UNICEF, Canada has the third worst record for suicides among adolescents 15 to 19;
- In North America, suicide is the leading cause of death among 15 to 24 year olds, second only to fatal accidents;
- Amongst our aboriginal population the rate of self destruction of children is five to six times that among non-aboriginal children;
- Depression, as a disease, is getting younger. The Ontario Health Study showed 10.2 per cent of

boys, aged four to 11, experienced anxiety or depression;
- Girls, mirroring the results of women, had higher rates of depression, at 10.7 per cent at ages four to 11.

Children with serious mental illness rarely have access to hospital beds. In many large urban centres in Canada, there is not a single pediatric psychiatric unit. If there were no medical beds for children with childhood leukemia, heart problems, or other medical problems, we as a society would be outraged.

For the most part, however, we do not even recognize that there is a problem for children with serious mental illness. So, our children wait and suffer in silence.

And even when they try to tell us something is wrong, it is often too easy to dismiss their cries for help. How many of us, as parents, family members or friends, have heard the following, or something similar, from young people we know and love:

- “Nobody could possibly understand how I feel.”
- “If people knew what I was thinking they would say that I'm mental.”
- “If I don't hit something, I'm going to explode.”

Yet, how many of us would recognize the symptoms of mental distress? Would we know who to turn to? And even if we knew what kind of services or support to look for, would they be available in our community?

Underlying the neglect of children and youth mental health—and of mental health issues in general—is the widespread stigma that prevents young people from speaking out and often leads families to avoid seeking help.

One example: Simon Davidson and Ian Manion of the Provincial Centre of Excellence for Child and Youth Mental Health at CHEO in Ottawa, found that 63 per cent of youth indicated that embarrassment, fear, peer pressure, and/or stigma are major barriers to young people seeking help for mental health problems.

Their work also revealed that over 75 per cent of young people listed either "no one" or "friends" when asked whom they are likely to speak to about mental health concerns. Not family, and certainly not health-care professionals.

And it is not just the kids who are affected by the stigma that goes with mental illness. A survey released at the beginning of May by Kinark Child and Family Services, Ontario's largest children's mental health centre, found that 38 per cent of Canadian adults said they would be embarrassed to admit that their child or teen had a mental illness, such as anxiety or depression.

Moreover, one of the surprises we encountered during the Senate Committee study was that health providers themselves are heavily marked by the influence of stigma. Many people living with mental illness told our committee that they had direct experience of stigmatization by service providers within the health-care system itself.

When young people do seek care, it is most often provided by primary-care physicians. Unfortunately, family doctors receive little training, and even less support, for diagnosing or treating mental health problems among children and youth. They are constrained by a system that favours short encounters with patients and is not conducive to understanding complex, and often overlapping, mental health issues.

We also know that co-morbidity is the norm. If a young person has one mental health disorder, more than likely there will be another disorder that is also present. These co-morbid and concurrent issues include learning and school-related problems, substance-use problems, developmental issues and risk-taking behaviour.

Early intervention is one of the keys to reducing the burden of mental illness. In fact, the importance of early intervention cannot be overstated. When symptoms of distress or illness first appear in a child or young person, it is essential that family caregivers, health professionals and educators intervene immediately.

Moreover, these interventions must be sustained, where necessary, through the transition into school, and on into adulthood. The goal must be an integrated, seamless continuum of care.

What we have today is a fragmented system in which various service providers each operate in their own silo. In this respect, young people face a particular challenge when they turn 18 and face being transferred from the youth system to the adult system. This transition can be a difficult one, with a serious risk of gaps in service for young people in real need. Our current system is not integrated and cannot guarantee a seamless continuum of care.

Problems can and do arise even prior to enrolment in school. The pre-school years present two challenges. The first is to identify and provide services to those children who are living with, or who are at risk of developing, mental illness. The second is to manage effectively the transition from early childhood into the school system.

We then need to ensure that our schools are better equipped to handle children's mental health issues than they are now. The school is the natural habitat for kids. For six or eight hours a day it is where they are, it is where their parents often come, and it is where you can deal with problems in collaboration with the teachers. We therefore need a major move of mental health services from their present locations in most communities into the schools.

The way services are organized often dictates that children and youth will not use them very effectively. Witnesses told the Senate Committee that it was difficult getting children and their families to feel comfortable coming to the hospital. However, when mental health services were offered in the schools, people felt much more at ease. These services need to be delivered by trained mental health professionals, not by already overburdened teachers.

It is not only our kids who suffer from a dysfunctional system. A huge burden falls on those who love and care for them—mothers, fathers, brothers, sisters and families. Parents in this country who have a child suffering from serious mental illness almost always go through a highly stressful time simply seeking help for their child.

They go to the family doctor, they see a pediatrician, they may or may not see a psychiatrist, they may see a psychologist, they may see a social worker, but they inevitably spend months, if not years, looking for help. In the process, they often receive dubious advice from well-intentioned, but uninformed, health practitioners.

There is nothing more stressful and isolating for parents than caring for a mentally ill child, especially if that child is in crisis.

Furthermore, from a purely economic point of view, the productivity of these parents inevitably deteriorates. And this makes the mental health of children and youth the concern of business.

Mental Health in the Workplace

Of course, mental health at the workplace involves many additional dimensions beyond the stress that employees may face as a result of coping with their children's mental health issues. There are many reasons why mental health at the workplace is the business of business.

Consider the facts:

- The value of lost productivity in Canada that is attributable to mental illness alone was estimated at $8.1 billion in 1998. If substance abuse is taken into account as well, that estimate grows to a loss to the economy of some $33 billion annually. This corresponds to 19 per cent of the combined corporate profits of all Canadian companies, or 4 per cent of the national debt.

- Of the 10 leading causes of disability worldwide, five are mental disorders: unipolar depression, alcohol-use disorder, bipolar disorder, schizophrenia and obsessive-compulsive disorder.
- Depression, anxiety disorders and substance abuse are concentrated among men and women in their prime working and earning years. Over the last few years, the number of disability claims for mental disorders has been soaring. According to the Health Insurance Association of America they doubled in the five years between 1989 and 1994.
- In Canada, short- and long-term disability related to mental illness accounts for up to a third of claims, and about 70 per cent of the total costs.
- The costs of mental disorders in the labour force in Canada fall mostly on employers and employees through their payment of short- and long-term disability premiums, payroll and out-of-pocket expenses.

In short, poor employee mental health costs business a great deal of money. Moreover, the evidence is accumulating that there are huge gains to be had from investing in improving mental health at the workplace.

Preliminary data from a large sample of Canadian employees suffering from mental illness indicate that there is a fourfold rate of return on investments in improving mental health in the workplace and facilitating the return to work of employees. This is because employees return to work sooner and employers' disability costs go down.

So, investing in improving employee mental health is indeed good for business.

Moreover, we now live and work in a knowledge-based economy in which 85 per cent of the new jobs coming on stream demand primarily cerebral rather than manual skills.

This is an economy where, as the CEO of one steel company put it, “The brains, not the backs, of my people do the heavy lifting for my company.”

In a brain-based economy, the mental health of the work force is critical. There are two overlapping trends that must be understood.

The first—the growing importance of knowledge, and of brain-based skill sets generally, to economic performance—provides a major positive incentive to address mental health issues in the workplace.

The second—the demands imposed by an investment-driven, globally competitive economy—reinforces the first trend in many ways, but is also the source of significant risk factors for mental illness in the workplace, in particular by increasing the level of stress placed on employees.

The evolution of the economy has thus produced a new and costly convergence—the advent of a brain-based economy at the same time that brain-based disorders are becoming the principal cause of disability in the labour force.

There is therefore a strong and compelling business case to be made for making the workplace an environment that is conducive to mental health. The payback in greater productivity and lower benefit costs will far outweigh any investment that may be required.

Conclusion

But mental health is also the business of all Canadians. It is in the interest of every single one of us, as citizens of a country that is committed to the fair and equal treatment of all its citizens, to help people living with mental illness to live meaningful and productive lives.

This is the task to which the Mental Health Commission will devote itself over the next 10 years. As we set out on this journey, I need your support. People living with mental illness across this country are counting on all of us to work together so that they have the services they need to improve their lives—whatever their age, wherever they live.

As Roy Muise, a person living with mental illness who is a certified peer counsellor from Halifax and helps organize peer support groups across the country, told the Senate Committee:

"To the people of Canada, I say welcome us into society as full partners. We are not to be feared or pitied. Remember, we are your mothers and fathers, sisters and brothers, your friends, co-workers and children. Join hands with us and travel together with us on our road to recovery."

I hope—passionately hope—that everyone in this room will heed this call.

Thank you.

The appreciation of the meeting was expressed by George L. Cooke, President and CEO, The Dominion of Canada General Insurance Company, and Past President, The Empire Club of Canada.

Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Michael L.J. Kirby, Chairman, Canadian Mental Health Commission.

May 25, 2007

Dr. Margaret MacMillan

Provost and Vice-Chancellor, Trinity College,
University of Toronto

THE START OF A NEW WORLD ORDER?

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Jocelyn Badovinac, UE, MEd, DH, MMLJ, Honorary Director, The Empire Club of Canada; Aimee Fischer, Senior Student, Monarch Park Collegiate Institute; Rev. Canon Philip Hobson, Rector, St. Martin-in-the-Fields Anglican Church; William Saunderson, President, Ontario Exports/Mermax Holdings; Bailiff Sandra Brown, DH, Grand Master, The Hospitaller Order of Saint John of Jerusalem, and Former Executive Secretary of Convocation, Trinity College; Taoying Zhu, Consul General, Consulate General of the People's Republic of China in Toronto; Rev. Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada; Craig Keilburger, Founder and Chair, Free The Children; Susan Perren, Director of Development and Alumni Affairs, Trinity College; and George Fierheller, President, Four Halls Inc.

Introduction by John Niles

Honoured Guests, Rev. Canons, Directors, members and guests of the Empire Club of Canada:

President Richard Nixon was asked at one of his final television interviews before his death, "How would you like to be remembered?" He thought a moment and then replied, "I'd like to be remembered as one who made a difference."

The simplicity of that universal concept and the enormity of his monumental legacy are only now being unearthed having been buried for over 30 years by the dreary end and one tawdry chapter of his presidency known as Watergate.

In the eulogy given by Henry Kissinger at Nixon's funeral he said, "When I learned the final news, by then so expected yet so hard to accept, I felt a profound void."

In the words of Shakespeare, "He was a man, take him, for all in all. I shall not look upon his like again."

The profound truth of these words can be found in the fact that when Richard Nixon took his oath of office, there were 550,000 American soldiers fighting in Vietnam, America had no contact with China, there were no negotiations with the Soviet Union, most Muslim countries had broken diplomatic relations with the United States and Middle East diplomacy was at a standstill. All of which occurred during a time of domestic division, crisis and strife not experienced in America since the Civil War.

When Richard Nixon left office, Kissinger said, "An agreement to end the war in Vietnam had been concluded, and the main lines of all subsequent policy were established: permanent dialogue with China was established; readiness without illusion to ease tensions with the Soviet Union had begun; a peace process in the Middle East, the beginning of establishing human rights as an international issue and the weakening of the Soviet hold on Eastern Europe had begun."

Richard Nixon pursued and accomplished all of these things while undergoing a deep personal and political crisis.

Mao said of him on his meeting with him that he was "a man who knows what he stands for, as well as what he wants, and has the strength of mind to get it."

For too long the significance of Nixon's legacy has been overlooked—but no longer, for Dr. Margaret MacMillan in her book "Nixon in China: The Week That Changed the World" truly and definitively removes all doubt.

It was G.K. Chesterton who said, "A good book tells us the truth about its hero; but a bad book tells us the truth about its author."

Dr. MacMillan has written a good book. It is my sincere hope that it will not be her last due to going on tour, for if Shakespeare had to go on tour to promote "Romeo and Juliet," he would never have written "Macbeth."

Margaret MacMillan has been the Provost of Trinity College at the University of Toronto since 2002. She was an undergraduate at Trinity, earning an Honours BA in 1966 in History. Her graduate work was at the University of Oxford where she did a BPhil on Politics and a DPhil on the British in India.

She was a member of the History Department at Ryerson University in Toronto from 1975 to 2002 and also served as chair of the department. She became an adjunct professor in the History Department at the University of Toronto in 1997 and a full professor in 2003. She teaches a fourth-year seminar on the Cold War and one for first-year students entitled Nationalism versus Internationalism.

She has served on the boards of the Metropolitan Toronto Reference Library, the Ontario Heritage Foundation, the Canadian Institute of International Affairs and the Atlantic Council of Canada and is currently on the board of Historica and the Churchill Society for Parliamentary Democracy (Canada). She edited the International Journal from 1995 to 2003. She has written numerous articles and book reviews for both scholarly and non-scholarly publications and comments frequently in the media.

Her books include "Women of the Raj" (1988) and "Peacemakers: the Paris Conference of 1919 and its attempt to end war" (2001), published in North America as "Paris 1919: Six Months that Changed the World" (2002). The book won the Duff Cooper Prize for History or Biography and the Samuel Johnson Prize for non-fiction in the U.K. in 2002, as well as the Governor General's Award for non-fiction in Canada in 2003. It was on the New York Times Editors' Choice List in 2002.

Her latest book, "Nixon in China: The Week That Changed the World" (titled "Nixon and Mao: The Week That Changed the World" in the U.S.) was nominated in January 2007 for a Gelber Prize, awarded annually to the best book on international affairs published in English. In 2006 Provost MacMillan was invested as an Officer of the Order of Canada.

In July 2007 she will take up new duties as Warden of St. Antony's College at the University of Oxford.

Will you please greet with me the great-granddaughter of the British Prime Minister, David Lloyd George—Dr. Margaret MacMillan.

Margaret MacMillan

Thank you very much for that much-too-kind introduction. Honoured guests, ladies and gentlemen, it's a very great pleasure to be speaking at the Empire Club.

Fifty years ago, my great aunt Megan Lloyd George was staying with us in Toronto. One day she wasn't there, she was out to lunch, and we said, "What is she doing?" We were told, "She has gone to speak at the Empire Club." I'm afraid to say in those days I said, "What is the Empire Club?" But I was, I think, only about 10 so I've learnt better since. Now I know who you are and what extraordinary things you do and it is a very great honour to be speaking here. Not one that I ever expected, but one which I'm very, very pleased to have.

I started to write a book about Nixon's trip to China because I thought it was one of those events in history, which was an important moment. It was a moment that needn't have happened. It could have fallen apart many times along the way. It took two years to organize that trip, two years of very, very delicate negotiations because what had to be overcome were tremendous hostilities, suspicion and very bitter memories on both sides, both in the People's Republic of China and in the United States.

I think that trip did make a difference. I think it marked a revolution in international relations and I think its effects are still being felt by us today.

I put a question mark on the end of my title because historians never like to be very definitive and so I called my talk about Nixon's trip "The Start of a New World Order?" with a very large question mark. But I think on the whole it did mark a real difference in international relations.

What that trip did was signify that two countries, two very important countries, that had been at odds with each other and were potentially going to fight each other, (they certainly had fought in the early 1950s in Korea and there was always a danger that they would fight again), two countries that had backed different sides for example in the long drawn-out Vietnam War, who had backed different factions all over Asia, who were backing different factions in far-flung parts of the world such as Latin

America and Africa, two countries who had a history of hostility, fear and hatred who might have fought each other, had now decided to take another path. And I think that was a momentous event.

They are both extremely important countries. China is the most populous country in the world and today of course is showing its potential in many other ways. In the early 1970s China was not yet the economic giant that it has become and it did not yet have the military potential which it is now showing, but clearly China was a country that had a tremendous capacity and tremendous potential even in those very dark days for China in the late ’60s and early 1970s. And the United States was the most powerful country in the world in the 1970s and is arguably still the most powerful country in the world today. They both have extensive interests and both have tremendous influence on their neighbours and indeed around the world.

And so when those two countries are not talking to each other, when those two countries are on the edge of fighting, it sends a chill through all of us including us far away in Canada.

And so what happened as a result of that trip in 1972 was a sense that a danger had been averted and a relationship was in the process of being established which could be a very important relationship for stability, peace and order in the world.

In a funny way too I think it signalled, perhaps we couldn’t realize it at the time, the end of the Cold War because the Cold War had been that great struggle between the United States and the Soviet Union, each with their own allies, and the world, so it seemed, had been divided into two mutually hostile camps.

Suddenly there was another player. There was a China and relations between China, the Soviet Union and the United States were now a triangle, not a bipolar relationship and that it seems to me foreshadows what happened after the end of the Cold War, where international relations opened up and we no longer had the simplicity of two great sides conflicting with each other. We now have what we are living through at the present—a much more complicated situation when nations play off each other and where they have more potential to do that.

Henry Kissinger has spent a great deal of time writing his own history and that of other people, and not surprisingly has tended to cast it in the most favourable light to himself and his decisions. I mean that is a natural human failing but he's very good at it. Henry Kissinger said in one of his very large volumes of memoirs, "When we did the opening to China we had nothing in mind so crude as playing the China crowd against the Soviet Union." Well of course that's exactly what he had in mind and it was a very sensible thing for him to have in mind because it made the relationship between the United States and the Soviet Union very different. It gave the Soviet Union something to think about. And they certainly thought about it. And so I think that event, that trip in 1972, in a way foreshadows the end of that Cold War period where the world was divided in that terrifyingly simple way.

Why did it happen? And there of course I become an historian. I'm always tempted to go back and explain why it was necessary that it happened. Why hadn't the United States and the People's Republic of China had a relationship when in so many ways it seemed like a natural sort of relationship to exist in the world? Both had, through geography, extensive interests in Asia and both had the potential for trading with each other. We certainly see today what has happened. And both had a long and often friendly relationship.

What I thought I had to explain is why they hadn't been talking to each other since 1949. My book already began to get bigger and I went to 1949. And then I thought if I'm going to explain why they weren't talking in 1949 I had better explain that they were talking before 1949. Don't worry, I'm not going to go back through the whole complicated process by which I went back. In the end I went back to the beginning of the nineteenth century. I found myself tempted to go back into the eighteenth century and talk about how the United States came into being. And then I thought if I'm going to do that I had better talk about the origin of China. And when I found myself in the second century BC I thought enough is enough and people are not going to want to read this book and they are not going to have the slightest patience for it. But what I did want to do is go back a bit because I think it's necessary to understand that the United States and China have a complicated relationship and on both sides you have a variety of attitudes towards the other which run from fear and apprehension to admiration and even a liking. And so I think to explain why that exists is both helpful for understanding the present and for understanding what might happen in the future. But I think it is also a very, very necessary part of the story.

The United States and the People's Republic of China have been fascinated with each other ever since they first encountered the other. I think there are a number of reasons for this. One I think is because each tends to think of itself as not just a country but a civilization. The Chinese have traditionally down through the centuries seen themselves as being at the centre of the world and seen their society as the civilized society. Those who are not yet thoroughly sinicized, those who have not yet partaken of that civilization, have been regarded by the Chinese down through the centuries as simply less civilized. The wonderful phrase that the Chinese had for the peoples of Vietnam for example was the "half cooked." They were halfway there to being civilized but they hadn't yet made it.

I think the United States, not entirely in the same way but in somewhat the same way, has tended to see itself as a civilization as much as a country. I mean you think of the ways in which American leaders have talked about the United States as being a model for the rest of the world. Think of the present American president who sometimes sounds positively like Woodrow Wilson when he talks about how the United States is a model for the rest of the world. American democracy, American capitalism, American ways of doing things are models that the rest of the world should follow because the rest of the world will benefit from following such models.

And so I think in a way the fascination that the United States and the People's Republic of China have for each other is that each sees itself as a model for the rest of the world, which of course does not always make for an easy relationship at all. I think that is part of the tension that we have seen throughout the relationship and part of the tension we see today.

Each has also seen the other at times as a threat. And that goes right back to the first encounters between China and the United States. The Chinese first encountered Americans and Americans first encountered Chinese when American traders began going to China at the end of the eighteenth century and the beginning of the nineteenth century. That period for the Chinese was the start of a very, very bad and dreadful period in their history. The Chinese had always traded with the outside world, but they had been able to turn the trade on and off as they wished, not as the outside world wanted. They had been able to keep foreigners at bay if they had not wanted them to come into China. By the beginning of the nineteenth century they were losing the capacity to do that, because what was happening was that China itself was beginning to disintegrate. Its administration was in trouble; its last dynasty was moving on a downward path. In the outside world, Western Europe, the United States, and other countries were moving ahead very rapidly into the Industrial Revolution, into the scientific revolution, which gave them tremendous power and gave them the capacity to dictate the fates of other peoples around the world. And so it was China's great misfortune that just when the Chinese needed strong government in the nineteenth century, just when they needed a government capable of dealing with what was a very real threat from outside, they did not have such a government. I think that helped to make what for the Chinese was in many ways a catastrophe even worse because the Chinese found themselves being battered and being charged upon and having to deal with very aggressive outside forces and they no longer had the means to keep those forces under control.

The Chinese themselves talk about a century of humiliation. That century started for the Chinese with the first Opium War at the end of the 1840s. The fact that it was a war about opium I think helps to add to the sense of fury that the Chinese rightly have felt about the behaviour of the outside world. That war was fought in part so that the Chinese would continue to import British-traded opium and that is something that the Chinese, rightly I think, have not forgotten. That century of humiliation, which was marked by a series of wars which China generally lost, was marked by Chinese governments having to give up more and more concessions to outsiders, having to accept outsiders coming into China, having to accept outsiders moving through China and not being subject to Chinese laws because the foreigners regarded Chinese laws and Chinese law courts as barbaric and backward. The Chinese had to accept a great deal of humiliation in that period.

That century for the Chinese ended in 1949 when Mao Tse-Tung proclaimed the People's Republic of China and the communists provided the first really coherent government that China had had in many decades. And the Chinese call that the century of humiliation. And for the Chinese the United States is part of that century of humiliation. They are part of those forces who came in and proved so dreadfully disruptive to China. And so that's one side of the Chinese attitude to the United States—one of memory, one of suspicion, one of hostility.

It wasn't of course that simple and so there is another part of the Chinese memories of the United States and that is that Americans often came into China as missionaries. Americans made up the largest single number of missionaries in China. They came initially to save souls but as happened so often elsewhere they ended up doing much more. Missionaries opened medical clinics, missionaries opened schools and missionaries in the end opened universities. Some of the great universities in China today were started as missionary colleges. And that's another side of what the Chinese remember about the United States.

And there is yet another side. There are those Chinese, who as they began to contemplate the difficulties that their own country was going through, looked at what seemed to be the disintegration not just of their last dynasty but indeed the disintegration perhaps of China itself. There were real fears in China at the end of the nineteenth century that China was going to be carved up and handed out, parceled out among different outside powers. As the Chinese contemplated that, a number of Chinese began to say we have got to do something different. Clearly, our old traditional institutions, our old ways of doing thing are not serving us. We need something new and a number of Chinese looked towards the United States as the model of the country which had what they thought was the right sort of government which seemed to be doing things in the right sort of way.

In Hunan Province in the centre of China before the First World War there was a young student whose two heroes—he read about them in Chinese translations—were George Washington and Abraham Lincoln and he grew up to be Mao Zedong, who founded the People's Republic of China.

And so there was that galaxy if you like, that constellation of attitudes towards the United States from fear, apprehension, to admiration. And you had very much the same thing on the American side, which saw China as somewhere to be exploited. American businessmen in the nineteenth century, as indeed they do in the 21st century, look at China and they see an awful lot of consumers and they see an awful lot of fields for investment and they see an awful lot of labour. And there has been that side in the American attitude. China is a resource that we can somehow exploit and make a great deal of money out of.

There's also been the side of fear. The fear that there were too many Chinese and too many of them want to come to the United States and this indeed was a fear that some people in Canada shared as well at the end of the nineteenth century. And so you have laws being passed to exclude Chinese from coming to the United States, exclude Chinese children from coming into American schools, exclude Chinese women from coming over to marry the Chinese men who had already come. There was that combination of looking towards China as something that could be useful for the United States and the fear of the Chinese themselves.

Some of you may have seen the old Dr. Fu Manchu movies, which are very funny, unintentionally I think. Dr. Fu Manchu and his daughter who is a beautiful princess are basically planning to take over the world and they sit somewhere in China in their palace talking about how they would do this. I mean ordinary dinner-time conversation in the Fu Manchu household is sort of "Daddy when will we take over the world?" And Dr. Fu Manchu says, "Well just give me a little bit of time. I'm just checking out a few things here but we are moving towards doing it."

That reflected something of the fear and you see it in a way, not the same sort of ludicrous caricature of China, but you see something of the same happening in Washington today and also in the States. I am struck by how many books are coming out in the United States with titles like "China as Number One," "China as the Power of the 21st Century," "China the Challenge for the United States." The next time you go to the United States look on the bookshelves in the bookstores. There are a lot of such books coming out and it seems to me to express part of that old apprehension that China is so big and so potentially powerful that it is a threat to the United States.

On the other hand, there's the American attitude, which admires much about China, which felt great sympathy. Many Americans felt great sympathy for China as it went through its travails in the 1920s and 1930s and 1940s. And so on the American side too I think attitudes towards China are very mixed.

Today in Washington and also in the United States you will get those who argue that China is a threat and the United States must prepare for that competition and for that war. But you also get people like Robert Zellick who used to be the chief U.S. trade negotiator who has given a number of speeches recently saying the United States must engage with China, that the stability of the international order depends on the United States and China continuing to work with each other and continuing to find where they have things in common rather than things where they are enemies.

That complicated relationship between China and the United States took a turn very much for the worse after the Second World War. And that was in part because the United States chose the wrong side in China. In China there was a civil war, it was a combination of a long, long struggle from the 1920s between the Nationalists of the Kuomintang and the Chinese Communist Party. Civil war broke out in 1946 and the United States backed the losing side. They backed the Nationalists who ended up going to Taiwan where they formed a government, which they then claimed represented the whole of China. And if you back the losing side in a civil war you cannot expect the side to win to feel all that enthusiastic about you.

Moreover in 1949 Mao Tse-Tung was very clear that as the Cold War was developing the United States was on the wrong side. He made a speech and he said China will lean to one side of the Cold War and that is the Soviet side. And so I think there was very little hope in 1949 that the Chinese communists would have wanted to deal with the United States and on the American side there was very little willingness for the United States to deal with China.

This was the height of the early stages of the Cold War. There was tremendous apprehension about communism in the United States and suddenly from the perspective of many Americans the world communist movement had just taken a giant step forward because China had become communist. And so I think with fear and hostility on both sides it was very unlikely the two would talk. Then in 1950 the Korean War broke out and by the end of that year Chinese troops were fighting American troops and so I think there was absolutely no chance that the two sides would come to any sort of understanding.

Unfortunately attitudes hardened as they often will and so from 1949 up until the end of the 1960s China and the United States had virtually no contact at all. They treated the other as if the other didn't exist. When they did talk about the other it was in the rudest possible terms. When Chinese leaders talked about American presidents for example they usually threw in terms like vampire, hyena, bloodsuckers, and these were sort of common epithets. And when American presidents talked about China they talked about the Reds, the Red Chinese. The feeling was mutual as one of mutual hostility.

And what that meant was that between two very large countries whose good relations or at least some sort of relations are important for their neighbours and indeed I would argue for the rest of the world, you had no diplomatic relations, you had no trading relations, you had no tourism, you had no journalists, you had virtually no knowledge of the other side. The Americans were reduced to putting a very large consulate in Hong Kong which was a British colony trying to figure out what was going on in China. American officials tried to look through what they characterized as a bamboo curtain to see what was going on in China.

I met one diplomat who said part of his job was to go to the railway station in Hong Kong and look at the box cars coming in from China which often brought in livestock. The box cars would often have characters saying which province they had come from in China. He said we would look at the pigs and the chickens to see if they looked fat or thin and that way we would figure out whether one area of China was having a famine or bad crops and whether another area was doing well. But they had very little real concrete knowledge.

I have to tell one story because I think it illustrates the absurdity of this relationship. Live chickens would come into Hong Kong from the People's Republic of China and that was perfectly legal because Hong Kong was a British colony and had trade with China. Live chickens would come in. Those were clearly communist chickens because they had come from the People's Republic of China. If the communist chicken met its end in Hong Kong, which it generally did, and if it was turned into feather pillows or canned meat or whatever, was that still communist? Could the products or anything derived from that live chicken be re-exported to the United States? And the answer in Washington was no. It can't come to the United States. However, it gets complicated. Chickens make life complicated if you have ever tried to keep them. The communist chicken arrives in Hong Kong, gets to the free world and lays an egg, is the egg a communist egg? Or is it a free egg? And can whatever that egg produces in turn be sent on to the United States? It had to be referred back to Washington.

Now we laugh and I laugh at that story but I think it is a useful story. It shows just how absurd the situation got. Luckily I think people on both sides began to realize that it was perhaps an absurd situation and that's where I think the role of individuals comes in and that's where I think the role of statesmanlike thinking, thinking in terms of what is best for your country and perhaps what is best for the international order, comes in.

And as luck would have it, you had in the United States after 1969 a president who thought why not talk to China. In fact the more he thought about it, he thought it was a very good idea. If I talk to China, Richard Nixon thought, it will put pressure on the Soviets who were not showing themselves willing to negotiate. If I talk to China it may help me to get out of Vietnam, something he very much wanted to do. Generally what Nixon thought was that if he talked to China it would mend the position of the United States in the world which had been very damaged by Vietnam. Nixon decided that he would do an opening to China. He didn't know but more or less at the same time Mao Tse-Tung in China, who was the key figure in China, was thinking the same thing. China was in a perilous state I would argue at the end of the 1960s. It had turned inwards, it had damaged itself with the cultural revolution. It was virtually friendless. It was on bad terms with almost all of its neighbours. Its chief ally in the world was a far off little country in Europe called Albania, which is a charming country. It apparently produces great opera singers. There is a wonderful Albanian singer right now singing La Traviata at the Four Seasons, but it is not a major counterweight to China's long list of enemies, which at the end of the 1960s included India, Japan, the United States and most significantly the Soviet Union.

China and the Soviet Union had fallen out very badly and there was real danger of a war at the end of the 1960s. In fact there were armed clashes in 1969 between Chinese and Soviet soldiers and in the fall of 1969 the Chinese became convinced with some reason that the Soviets were planning a nuclear attack on China to knock it back in its development so that it would not be able to be a threat to the Soviet Union.

And so it was at that point that the possibility for a rapprochement emerged. The only trouble was how did they signal it to the other side because when you have been hurling insults at each other across a chasm for 30 years you can't suddenly say, "By the way we have changed our mind, let's talk," because you don't know what the other side is thinking. You have virtually no way of knowing that, because you have no direct contact.

That's why it took until 1972 to organize the Nixon trip and it became possible for President Nixon to go to China. But once that became a reality then things did in fact begin to move. In a funny way the trip itself was not all that important. It was very much a trip for demonstration. The important negotiations, almost all of them, had been done before Nixon arrived. Most of the communiqué, which was issued at the end of that week, the Shanghai Communiqué, had also been done. There were a few very tense moments when bits had to be redone but most of it had been done, the substantial bits of the communiqué had been done.

But it was enormously symbolic and symbols I think are very important in our own lives and indeed in international relations. There was Nixon getting off the plane in Beijing. This was a country to which no American had legally been able to go since 1949. There was Nixon driving through Tiananmen Square. There was Nixon in the Great Hall of the People toasting the Chinese Prime Minister Zhou Enlai in maotai. He was urged by Alexander Haig, who was one of his aides, under no circumstances ever to drink it because Nixon had a notoriously light head, but he did use it for toasting and sometimes he did drink a bit too much of it. But there was Zhou Enlai toasting in return and toasting the American people. There was

Nixon going with him to the city, there was Nixon amid tombs, there was Nixon on the Great Wall of China answering that famous question when a journalist said, “Mr. President, what do you think of the Great Wall?” And Nixon always thought for a moment and said, “It certainly is a great wall.” And we all watched it because we hadn’t seen China. For us living in the outside world, China was a mysterious country that we knew almost nothing about and suddenly there it was on television.

Now what that trip did was signify a change in international relations and what it did was open a very, very important door. The door was opened to a new relationship between China and the United States. It didn’t change at once because things don’t change overnight usually. Moreover what happened in both China and the United States was that immediately after that trip there were internal political crises and internal political struggles.

Nixon got embroiled in Watergate, which was ultimately to bring him down and left office in disgrace in 1974 and his successor, Gerald Ford, was not that much interested in pursuing a wider opening with China.

And in China itself Mao Tse-Tung was dying; he died in 1976, very, very frail in his last years, and in the years immediately after his death there was also an internal political struggle.

And so it wasn’t until the end of the 1970s that China and the United States established full diplomatic relations and we now see the results. Henry Kissinger, who is not wrong on many things but I think was badly wrong when he said at one point to Zhou Enlai, “We will have to have a little bit about trade in the communiqué because the state department insists on it, but you and I know that trade is never going to be important between our two countries.” Well yes. When Wal Mart is now the single biggest trader with China you get some idea of the dimensions of the trade between China and the United States.

That door began to open and then it began to open very wide. Large numbers of Chinese began to study in the United States and increasingly Americans began to go to China and what we see now is a relationship where not just the Chinese and American governments are engaged but where the Chinese and American people are engaged at all sorts of levels. Chinese and Americans now know each other again in a way that they haven't known each other for a great many years. Americans go and live in China. Chinese come and live in the United States. There are journalists from both countries in the other country. They read about each other, they know about each other, they trade with each other, they invest in each other's countries and that relationship I think is going to go on being very, very important indeed. It is yet another moment, which started in 1972, in that long complicated relationship between China and the United States.

Having said that, of course there are going to be tensions and I hope something of what I have said today will perhaps explain why there are bound to be tensions in that relationship. When you have two great powers and when you have two very important nations who also see themselves as civilizations, where you have areas where they are going to be perhaps rivals and we have to hope friendly rivals, then there are going to be tensions. But I think so much the better for all of us that at least there is a relationship capable of dealing with tensions.

Thank you very much.

The appreciation of the meeting was expressed by Rev. Canon Kimberley Beard, Senior Pastor, St. Paul's On-the-Hill Anglican Church, and Director, The Empire Club of Canada.

May 30, 2007

BGen. David A. Fraser

Commander, Multi National Brigade, Regional Command South in Afghanistan

CANADIANS IN AFGHANISTAN

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Jan Ottens, General Manager and Vice-President, SkyLink Aviation Canada; Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada; Lesley Ann Bowen, Senior Student, Riverdale Collegiate Institute; Grant Kerr, Pastoral Associate, St. Paul's United Church, Brampton; Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group; Erin Michael O'Toole, CD, Legal Counsel, Procter & Gamble Inc.; and Professor Janice Gross Stein, Director, Munk Centre for International Studies.

Introduction by John Niles

Honoured guests, Directors, members and guests of the Empire Club of Canada:

In October 2001, in the wake of the September 11, 2001, attacks on the United States, NATO invaded the country of Afghanistan to remove al-Qaeda forces and oust the Taliban regime, which had control of the country. On September 20, 2001, George W. Bush delivered an ultimatum to the Taliban regime to turn over Osama bin Laden and al-Qaeda leaders operating in the country. The

Taliban demanded evidence of bin Laden's link to the September 11 attacks and, if such evidence warranted a trial, they offered to handle such a trial in an Islamic court. On October 7, 2001, the official invasion began with British and American forces conducting aerial bombing campaigns.

Canada was the third-largest contributor to the invasion of Afghanistan after the United States and the United Kingdom. Of the approximately 15,000 Canadian troops who have been stationed in Afghanistan, 2,500 remain as the standard complement as part of the International Security Assistance Force (ISAF).

In 2003, the Canadian Forces moved to the northern city of Kabul where it became the commanding nation of the newly formed ISAF. In the spring of 2005, it was announced that the Canadian Forces would move back to the volatile Kandahar province as the U.S. forces handed command to the Canadians in the region.

When the Canadian Forces returned to Kandahar after being deployed to Kabul in 2003, the Taliban began a major offensive and Canadians were one of the leading combatants in the first fighting when the Battle of Panjwaii took place. Complex mud-walled compounds made the rural Panjwaii district take on an almost urban style of fighting in some places. Daily firefights, artillery bombardments and allied airstrikes turned the tides of the battle in favour of the Canadians.

After Operation Mountain Thrust came to an end, Taliban fighters flooded back into the Panjwaii district in numbers that had not been seen yet in a single area in the "post-Anaconda" war. The Canadian Forces, which came under NATO command at the end of July, launched Operation Medusa in an attempt to clear the areas of Taliban fighters once and for all. The fighting of Operation Medusa led the way to the second and most fierce Battle of Panjwaii in which daily gun-battles, ambushes, and mortar/rocket attacks were targeting the Canadian troops. The Taliban had massed with an estimated 1,500 to 2,000 fighters. The Taliban were reluctant to give up the area, and after being surrounded by the Canadian Forces, they dug in and fought a more conventional style battle. After weeks of fighting, the Taliban had been cleared from the Panjwaii area and Canadian reconstruction efforts in the area began. On November 1, 2006, Dutch Major-General Ton van Loon succeeded Brigadier-General David Fraser as head of NATO Regional Command South in Afghanistan, a post which he will retain for a six-month period.

Brigadier-General Fraser is from Ottawa, Ontario. He was commissioned as an Infantry Officer upon graduation from Carleton University with a Bachelor of Arts degree in 1980.

Brigadier-General Fraser has served in various command and staff positions in the PPCLI from platoon to battalion commander in both 2PPCLI and 3PPCLI.

He was awarded the Meritorious Service Medal for his actions during the Bosnian Civil War.

Brigadier-General David Fraser took command of the Multi National Brigade (Regional Command South) in Afghanistan in February of 2006 and led the coalition forces for the next 10 months commanding over 9,500 troops.

For his leadership he was awarded the United States Bronze Star, the Netherlands Medal of Merit in gold and the Canadian Military Service Cross.

David Fraser

Dr. Niles, ladies and gentlemen, thank you very much for inviting me here today to tell you a great Canadian story.

I am somewhat subjective about this because I've had the privilege now of commanding 2,500 great men and women from this country. I want to tell you what they have done, and what they did while I was there. I'm not going to tell you why we were there. I'm just going to tell you what we have done and you can answer that question yourselves.

Slide shown.

When you look up at that slide in front of you, you see nine different nations. That is what Canada led in Afghanistan. We started working under Operation Enduring Freedom, which was the U.S.-led coalition for nation building inside Afghanistan. This was the first time I can remember where Canada actually led American troops in operations; the first time the 10th Mountain Division, which I worked with, had a multi-national brigade. It was Canada that was asked to lead. It was Canada that led those nations through the most difficult time in Afghan history since 2001. It was Canada that led the transition into ISAF. Canada has a lot to be proud of and I want to tell you some of the details of what

Canadians have done as part of a bigger organization that represents the international community.

This is a story about war and peace, the Afghan version. We are in chapter four. This country is really only five years old. It has gone through 30 years of fighting and we are starting from ground zero to build a nation—the Islamic Republic of Afghanistan—in a way that Afghans want it built.

I will also say the score today is Afghanistan three, the international community zero. Two thousand years ago Alexander the Great went there and got beaten soundly. The British went in there three times and got beaten soundly. The Russians went in for 10 years and got beaten soundly. We have an opportunity here to listen to Afghans and change the score and make it three-one.

What is the difference between now and Afghanistan historically? We're listening. We went as invited guests of the Karzai government, not as invaders. We are listening and we are subordinate to the Afghans who are leading the reconstruction and the construction of this country.

Let me tell you how we in the South approached our task for Afghans. When I first started this mission I was trying to find a phrase to describe it. Well T.E. Lawrence had it right in 1916. "This is their country. This is their challenge. Our time is short and we should let them do it imperfectly rather than do it for them perfectly." We are doing what they want. I might have done 99 per cent of the work in 2006 while I was there, but the 1 per cent, which was the most important, was that I listened to an Afghan. It was the Afghans who told me in July to go into Zangen. It was the Afghans who told me to go to Panjwaïi and Operation Medusa was the result of that. It was Afghans directing my efforts to support their people in reestablishing the Karzai legitimacy of the rule of law and order and we are there to support them. We can make a difference if we do it this way.

It is those people at the top there who are going to do it. It is the men and women and the children of this country that we are there to serve. I have now been 26 years in the military. I have done a number of missions as you can probably tell by my chest, but let me say that you can leave Afghanistan but you can never take Afghanistan out of the person. I love this country. I love those children out there, because when I talked to those children unlike anywhere else I have been in the world—Cyprus, Bosnia, wherever—they came up to me and they asked me for one thing. They didn't ask me for food. They asked me for this—a pencil. They want to learn. Eighty-per-cent illiteracy and all they want is a pencil and the opportunity to learn. That is what Karzai wants to give them. He wants to give them education. He wants to give them training. He wants to give them an opportunity. We need to provide that opportunity for a generation of people to learn and get a job. That's what your Canadians are doing. They are providing hope and opportunity for that generation and your men and women over there as part of the international community are doing a simply marvellous, outstanding job.

Spin Boldak is a little town at the border of Pakistan and Afghanistan. It is a sea of humanity. When I first went there you could probably fire a cannon because there wasn't anyone there. When I left after nine months it was a bustling community of donkeys, carts, people, buses, jingle trucks going across that boundary with everything you could possibly think of. There are no fences on the left and right of the border crossing but Afghans really do believe in the rule of law because they only cross at that point. You can look at desert 20 miles on either side and there is nobody there.

When I first started in Afghanistan there were two missions. There was Operation Enduring Freedom. That was in the two regions in the South—Regional command South and Regional Command East. Led by the Americans it is now transitioned into ISAF, a NATO-led operation, which includes three other regions—the West, North and Kabul. The mission was simple—build a nation. It is not a military mission. It is a whole list of missions that includes governance, security and development. That was our task—to go over there and build a nation.

Slide shown.

This map has six or seven provinces left to right—Nimruz, Helmand, Kandahar, Zabol, going to the north, Oruzgan, and Dekundi. That is the map I first looked at. Two hundred and twenty thousand square kilometres was my responsibility. That is one-third the size of Alberta.

I think we have to be sophisticated in looking at the situation inside this thousand-year-old-plus tribal society that's very much based on relationships. It became a lot more complex to me because the power in Afghanistan is within the tribes. That's where the power is. Karzai has the money and what we need to do is create a marriage between the power and the resources and the money. This is a fight between two groups that have a different idea. Karzai has an idea of what he wants to build in the way of Afghanistan and the Taliban have an idea of what they want to build. This is not a Sunni-Shiite fight. It is a fight about ideas; ideas of the Taliban versus Karzai. And I think we can actually make some progress and support Karzai.

When I got there I had to figure out how to develop the country. I found you needed an effects-based plan with three lines of operation with governance first and foremost because if you get that right everything else falls into place. This is followed by security and then followed by development because each one builds on the other. I'm not an expert in foreign affairs. I went to foreign affairs. I got a political advisor. I was not an expert in development so I got a development advisor. I went to the U.S.A. because I like working with the Americans. They put $1.2 billion on the table; $1.2 billion for police reform last year. I wanted to spend that money. In fact I spent $20 million of their money last summer during Operation Hewad, Canada's first brigade operation since Korea. I was spending their money in the development of the country because quite frankly Afghans don't care where the money comes from. They just want the money turned into an effect. I wanted to be that agent.

So that was the plan and when you looked at my team it wasn't military. It was military, civilians, Afghans, the international community, everybody having an equal voice working together to help out the average Afghan to give them what you and I take for granted—open opportunity—while fighting Afghan insurgency at the same time. This is pretty complicated. This is the most complicated mission I've ever done in 26 years in the military.

Let me tell you about some of the results and this is where the rubber hits the road. In the nine months I was there we elected over 400 community councillors. Four hundred. Can you imagine if the community councillors in the Toronto area were all gone? How would this city operate? It wouldn't. I wanted to create a bureaucracy that would make sure that we had water, make sure that we had a judicial system, make sure that we had those things that we take for granted and completely ignore. When you don't have it, you really find out what you're missing. We selected 400 junior councillors. We gave each community, the 17 districts in Kandahar, the opportunity to spend $1 million from CETO to do whatever they wanted to build their communities. We started the project. It is called a confidence-in-government initiative. It is slow. It is pedantic. It is boring but I used to tell people that it is really important stuff. We've got to do it. If you don't have it you don't have a society.

The governor of Kandahar has no education but he is the future of this country. He is passionate; he is doing this because he believes in the country; he is not making a lot of money doing this. He was wounded this past week too by a car bomb. Good man. I worked with him and let me tell you about the first time I met him. I heard he was a good man but if something happened he would race out of the room. He would jump in his SUV, he would race downtown, he would go and grab his AK-47 and jump into his car and go and solve the problem. Can you imagine the premier of Ontario doing that? After he did that a couple of times I sat him down and said, "Look, two years ago, when you were the only show in town that's what you had to do but let me tell you what a governor is supposed to do. You are here to govern." At the height of Medusa he walked into my office and he had the weight of the world on his shoulders. He just looked frazzled. He said, "I need your help. I have a chief of police who isn't worth the money I'm paying him. I have a police force that is not doing anything. I have budgetary problems. I have personnel problems. I have people yelling at me." I almost walked over there and gave him an Afghan hug. I hug people now because I said. "Son you have grown up and you're now acting like a governor." That is progress. It won't sell any papers, but that is progress. That's what we have to do—help those governors do their job—and that is what Canadians are doing. That's what our strategic advisory team is doing in Kabul—helping the Karzai government build a bureaucracy and a federal government. They don't have any middle managers because they have nobody there who can read or write. It's hard stuff.

The Afghan national army is 30-per-cent stronger today than it was when I got there. Thirty per cent. That's a good news story. We in the province of Kandahar had 1,200 policemen for a population of over a million people. The city of Kandahar itself is about 700,000 people and it had maybe a thousand policemen. Can you imagine the city of Toronto with just 2,000 policemen? In hindsight we should have developed the police force first. We didn't but we did have a very credible Afghan national army and we actually added 2,300 new police positions to the establishment in Kandahar. We created municipal policing which you and I take for granted. Why is municipal policing so important? This is a fight about jobs. I need to find a job for every 15 to 25-year-old male. If I get that 15 to 25-year-old male a job and education, he will find a girlfriend. He will marry that girl. He will have children, he will want security for his children and we have just beaten the Taliban because now the Taliban can't go and hire them. That's how you win.

And by the way how do I talk to the mothers? I can't talk to the mothers. Most men in Afghan society will see three to four women in their lives—their mother, their sister, their wife and their daughter. They don't see anyone else. So how do you talk to the mother who has the real power in the family? Through their sons. Get their sons educated, get them a job, get them to have a family, and life is good and the wife will be happy because she will tell the husband you make sure you support these guys because they are going to take care of us. Listen to the Afghans. That's how you talk to them and that's how you do it in today's environment.

When I got there the absentee rate in the Afghan National Army was over 40 per cent in a unit. Can you imagine running a business when you have 40 per cent of the people not even showing up for work. Canadians, who are now there as part of the mentoring and liaison team, have taken that 43-per-cent absentee rate down to 13 per cent because we are working with Afghans, treating them like you and I treat each other, and they are actually starting to perform. That's progress. That's enormous progress. Operation Medusa was fairly successful. It was an Afghan-led operation. They were worried about what was going on in Kandahar City but now they are pretty confident about what is going on in Kandahar City. How do I know that? I was late for meetings because of the traffic jams in the streets. When I got there you could fire a cannon down the street. Now you can't even drive down the street. That's a good news story.

The hardest thing that we have to try to explain to people is development. A lot of money is going into that country and the United States is paying an awful lot of money there too. But what have we actually done there? While I was there, 150 kilometres of road in Kandahar, 100,000 metres of new canals which took $20 million to build. We have about 200 projects in the South, 1,400 government projects and five major infrastructure projects going on. Thousands of kilometres of roads have been built in this country since 2001. There is an awful lot that's going on there that people just don't realize and it doesn't sell because it's boring. But it is so important because the development is great. But this development, this security, and this government comes at a cost.

The year 2006 was the most dangerous year since the fall of the Taliban. In 2001 there were about two to three suicide bombs. It has gone up exponentially and in 2006 there were well over 130. Why? It's cheap. It's psychologically devastating but in fact the Taliban are actually having to step up their activities against the Karzai government because we are being successful. We are creating more schools, more hospitals, more prosperity and life is starting to get back to normal in an Afghan sense.

All that growth means more opportunity for the Taliban to attack. That means we need more soldiers for protection. We need more policemen. We need more Afghan soldiers. We need more trainers to train people so that they can take care of themselves. It's an odd report card and the statistics themselves don't tell the full story.

So there are an awful lot of positive things going on there that I think we need to explain. I'm pretty positive, not optimistic. I'm a realist. It will be a long hard haul for us, because the Taliban are waiting for any way they can to show that the Karzai government is not delivering.

Let me just talk to you about poppies for a second—a $3-billion product last year. Three billon dollars. Eight hundred million went to the farmers. It sounds good, but the farmers didn't get that money. The Taliban got that money. We have got to get rid of the poppy. We have to get rid of it. We have to look at different ways to achieve that objective and one of the ways that I have recommended is farm subsidies. Give the Afghans a price for a poppy field where they can grow anything they want. They were great producers of grapes, melons, pomegranates, corn, wheat before the Taliban were there. Those markets do exist.

I was saying 2006 was one of the most dangerous years we have ever had; 177 aid workers were killed last year. Teachers are now a prime target for the Taliban. In fact educated women are individuals that the Taliban want to go after. They are the greatest threat because they are educated and they are women. The Taliban are coming after all the successes that we have achieved there, and the Afghans have asked us to be there and stand beside them.

How long do we have to be there? That will be up to the Government of Canada to decide but this is a long operation. And when are we going to be asked to leave? That will be up to the Afghans to say when they have had enough. We were in Bosnia for 12 years and that worked out pretty well. That is a good news story and there is no reason why we can't have something similar here.

But when you look at the news you have to ask two questions. What is the story really telling you and demand more about what's going on in Afghanistan.

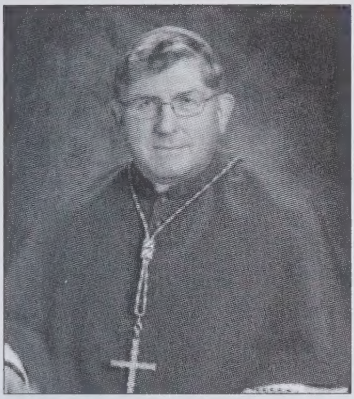
Ladies and gentlemen, we have made progress since 2001. I built on the success on the shoulders of my predecessors and Tim Grant who's there right now is building on the success that we've had. I will tell you that we have had some tragic events in the recent past but we are making progress. I will tell you something else. I went to the hospital to see every Canadian soldier that was wounded. I talked to them to console them. I feel that every time I went to that hospital I walked out with my batteries charged. The one thing I have found in the number of years that I have been in the military is that soldiers, airmen, airwomen and sailors don't lie to you. If they believe in something, they tell you. Every one of those soldiers told me that they believed in what they were doing. They thought they were having a positive effect. I think we are having a positive effect over there because those soldiers wouldn't tell me otherwise. I visited with some of the families of the fallen comrades and they would tell me the same thing. The families were saying, "Their loved one who died had made a difference over there."

When those Afghan children came up to me and asked me for a pencil, it confirmed that what I was doing over there for them was right. I think we are actually making progress there and we are working hand in hand with the Afghans to help them rebuild their country their way. This is their challenge and this is their way and we should be there as long they want us there.

Thank you very much.

The appreciation of the meeting was expressed by Stephen Hewitt, Manager, Corporate Communications, Corporate and Public Affairs, TD Bank Financial Group.

Brigadier General David A. Fraser, Commander, Multi National Brigade, (Regional Command South), Afghanistan, and Dr. John S. Niles, President, The Empire Club of Canada.



May 31, 2007

The Most Reverend Thomas Collins

Archbishop, Archdiocese of Toronto

THE CONTRIBUTION OF RELIGION TO SOCIETY

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

John C. Koopman, Partner, Spencer Stuart, and Past President, The Empire Club of Canada; John McGrath, Chancellor for Temporal Affairs, Archdiocese of Toronto; Jim Magee, President and CEO, Shorcan International Brokers Limited, and Senior Vice-President, TSX Group; Frank Morneau, Chairman, Morneau Sobeco; The Rt. Rev. Colin R. Johnson, Bishop of the Diocese of Toronto, Anglican Church of Canada, and Honorary Chaplain, The Empire Club of Canada; Dr. Reginald Stackhouse, MA, LTh, BD, PhD, DD, Principal Emeritus and Research Professor, Wycliffe College, University of Toronto and Past President, The Empire Club of Canada; Hon. Madam Justice Mary Lou Benotto, Superior Court of Ontario, and Director, The Empire Club of Canada; Neil MacCarthy, Director, Public Relations and Communications, Archdiocese of Toronto; Major Sonia Skil, CD, Member of the Russian Orthodox Cathedral of Christ The Saviour; and Thomas McCarthy, Vice-Chairman, J.J. Barnicke Limited.

Introduction by John Niles

It was Wordsworth who wrote:

> Our birth is but a sleep and a forgetting:
> The Soul that rises with us, our life's Star,
> Hath had elsewhere its setting,
> And cometh from afar:
> Not in entire forgetfulness,
> And not in utter nakedness,
> But trailing clouds of glory do we come
> From God, who is our home:

God is our Home, for as St. Paul said, "…it is in Him that we live and move and have our being."

For many citizens, faith is a major force guiding their lives. It is therefore important to consider carefully how the fact of religious faith contributes to the common good of our diverse Canadian society.

One can see the truth of this at this head table where not only the Catholic Church is well represented, but also, the Orthodox, Anglican and even one lowly United Church of Canada clergy.

My daughter asked me once why there were so many different churches and why I, who had grown up as a Catholic due to my father's influence, became a protestant, due to my mother's.

I told her that when I first started thinking of pursuing a call to be a priest within the Catholic Church, my mother said as a good Irish protestant would, "I think it's time you started going to my church—I want grandchildren after all."

After having five children and caring for over 1,000 more crack- and heroin-addicted infants over the last 20 years, my mother started to rethink her thoughts. I told her—I think it's too late.

To my daughter who asked, why so many different churches, I said "It's all ice cream—different flavours but all sweet to the taste."

The Archdiocese of Toronto has a long and storied history dating back to its inception on December 17, 1841, covering the western half of Upper Canada with Bishop Michael Power appointed as the first Bishop. However, the Catholic Church reaches back even further to when the first mass was conducted in 1615 on the southern shores of Georgian Bay.

In 1790, the Right Reverend Edmund Burke, Vicar-General for Upper Canada, purchased parcels of land for future sites of Catholic churches and institutions and 317 years later on 30 January 2007, His Grace, Thomas Christopher Collins was installed as the 10th Archbishop of Toronto and spiritual leader of 1.6 million Catholics in the Greater Toronto Area.

His Grace received his Bachelor of Arts (English) at St. Jerome's College, Waterloo, Ontario.

In 1973 he received his Bachelor of Theology (BTh) at St. Peter's Seminary, London, Ontario.

He received an MA (English) at the University of Western Ontario, London, Ontario, the Licentiate in Sacred Scripture (S.S.L) from Pontifical Biblical Institute, Rome, and his Doctorate in Theology (S.T.D.) at Gregorian University, Rome.

Will you please greet with me His Grace Archbishop Collins.

Thomas Collins

An Analog Church in a Digital World

Recently I participated in a gathering of religious leaders convoked by the mayor. Dozens of religions in our city were represented. Their adherents constitute the vast majority of the citizens of the Toronto area, and that in itself is significant: religion is a vital presence in our society.

I myself have just begun my mission as the Archbishop of Toronto, and am responsible for a community of over 1.6 million Catholic Christians in this area. It would, of course, be presumptuous of me to speak for believers of other faiths, but I trust that my remarks may resonate to some degree with the way in which they see the role of religion in the world.

It is always a good sign when a speaker takes off his watch at the beginning of a speech, and places it before him. It gives the audience hope that he believes that a speech to be immortal need not be eternal. But I am doing so for another reason. My watch has an analog display, not a digital one: it does not show individual numbers flashing by, so that as soon as you see a moment in time it is gone, replaced by its successor moment, which itself is instantaneously replaced.

The display on my watch is analog, and I find that to be a more humane way of representing time: each hand of the watch indicates the present moment by relating the present to the past and to the future. It provides a concrete visual image of the immaterial concept of time, and identifies each individual moment by placing it in its context, the context that gives it meaning.

Analogy is the idea that what matters is relationship, connectedness, and context: A is to B, as C is to D. Religion reflects an analog vision of reality, as it celebrates relationship: we are brothers and sisters, children of God. People of faith see the patterns of relationship that reveal the meaning of both the material world and of human life. The purpose of our life on earth is found in the context of the divine providence that envelops us, and of the future goal that directs us. Jesus summarizes the point of human existence by identifying the two great relationships that matter in life: love of God and love of neighbour.

We live in a web of relationships, and through faith see the pattern of connections that show the purpose of our brief journey through this world. Even the image of a journey, so common in religion, speaks of a context: we understand where we are in life by reflecting (often in a spirit of repentance) on where we have been so far on life's pathway, and (in a spirit of hope) on where we are going.

Religion offers analog wisdom—the wisdom that sees relationships—to a digital world, one in which we can so easily become lonely individuals, without purpose or direction, disconnected, rootless, and going nowhere faster and faster. We live in an increasingly dis-integrated society, in which the human bonds that unite and give life are fraying.

Two symbols of a world that has lost a sense of human context and personal encounter are the computer screen and the TV screen, both of which can be helpful instruments, but both of which suck up time like a vacuum cleaner, offering the illusion of community while often providing only an alienating individual experience of impersonal and abstract images.

I will present four brief notes on contributions which religion offers to our multicultural society, each one arising out of an analog vision, a conviction that relationship and context give purpose to life:

1) Religion enhances local communities in which human relationships can flourish;
2) Local religious communities make massive contributions to the common good of all society through deeds of charity and social action;
3) They contribute to the common good of society by bringing to bear on current social issues the insights arising from their practical engagement in them, and from their ancient heritage of wisdom;
4) God is ultimate beauty, truth, and goodness, and just as religious communities contribute acts of goodness and insights into truth, they endow society with beauty.

Four Contributions of Religion to Society

1) Religion enhances local communities in which human relationships can flourish.

In its social teaching, the Catholic Church places great stress on subsidiarity, the idea that in a world in which the individual person can feel lost when confronted with the power of the state or of the global corporation for that matter, it is important for a healthy society that smaller communities flourish, so that people can relate to one another not in an abstract way, at a distance, but rather in humane relationships based on reverence for the personal dignity of each of the children of God. We need to know our neighbours, and to live in personal relationship with them, conscious of the impact of our actions upon them.

Sometimes it is necessary that action be taken at the higher levels of a community or organization, because the more grassroots level simply cannot deal with the issue at hand. But normally it is best that decisions be made as close as possible to the level where people live.

Distance can create an atmosphere of abstraction that diminishes our sense of personal responsibility. This is why we will write something outrageous and harsh in an e-mail that we would never say to someone's face. Pause for a moment before hitting the send button.

Distance can destroy the life-giving personal context of human relationship. The flick of a distant pen can throw thousands out of work, causing immense suffering to their families. Better to look in the face those who are affected by one's decisions, at least imaginatively.

A powerful way of doing that is to see that as much of life as is possible happens in communities of a human scale within the wider community of the state. That is why the Catholic Church supports the right of people to join together to form co-operatives, and credit unions, and labour unions, and any other societies that at least make possible relationship at a human level.

Religious communities themselves play such a role in society, providing a forum for human relationship. A challenge for churches is to be sure that our parishes do just that.

The ultimate community of human relationship is the family, and in our individualistic society the family is under great pressure, often fracturing. Look at the divorce rate. Our goal must be to sustain the family, through which each of us is given the gift of life, and in which each of us is nurtured. That is why the Catholic Church celebrates marriage as the stable covenant of a man and a woman faithful in love and open to the gift of life.

A literary expression of the religious vision of communities of a human scale based on relationships of love is found in the writings of two Catholic authors, G.K. Chesterton, and J.R.R. Tolkien, especially in his saga in which a small band of self-sacrificing hobbits and their friends triumph over the totalitarian forces of Mordor, where the shadows lie, and where the personal dignity of the individual is lost in the grip of the massive state.

2) Religious communities make massive contributions to the common good of all society through deeds of charity and social action.

A second contribution of religious communities is found in social action—a helping hand to those in need. Practical charity flows out of communities that cherish relationships. Imagine what would happen if suddenly our city were deprived of the social assistance offered daily to the most vulnerable by all of our religious communities.

For a Christian, the words of Jesus in Matthew 25 provide the vision of personal relationship that guides our actions: whatever you do for the least of my brothers and sisters, you do for me.

In Edmonton, where I was bishop for many years, there is an enormous network of Catholic social services that grew out of one priest's meditation upon that Gospel text.

In Toronto, limiting myself only to a few of those actions of the Catholic community with which I am most familiar, I think of the religious sisters who established health care in our province. I think of the food and shelter for the homeless unobtrusively provided by the church, and of the first residence in Toronto for those suffering from HIV-AIDS. Then there are all the works of Catholic parishes and health-care institutions, the religious orders, Catholic charities, and Sharelife, the St. Vincent de Paul Society, and works of personal charity.

Let me also pay tribute to the other religious communities of our city that are also involved in such works of service, such as the Salvation Army hostels, the Fred Victor Mission, the Yonge Street Mission, and the multifaith Out of the Cold program.

If you are vulnerable in Toronto, it is highly likely that the one helping you will be part of a religious organization, or serving from a religious motive.

3) Religious communities bring to bear on current issues the wisdom of their heritage.

Religious people may well disagree on important issues of doctrine, but they have a long tradition of working together to address social issues. They do so because they insist on reverence for the human person, whom they consider to be made in the image and likeness of God.

When religious people take part in the democratic conversation, they bring to the table an invaluable tradition of ancient wisdom, a passionate concern to defend the vulnerable, and the credibility that comes from the fact that they daily contribute to the well-being of the community by caring for those most in need.

It is essential to distinguish here between on the one hand the profession of specific religious doctrines based on faith and divine revelation, and on the other hand the reasoned analysis of social issues offered by members and leaders of religious communities.

People of faith are obviously motivated by their faith commitment, and informed by the ancient wisdom of their spiritual tradition. What they contribute to the general discussion of the problems of society, however, are insights that are based not only on faith but on reason and natural justice. They invite the public to consider the insights they offer, and to assess them sincerely and critically, and not to dismiss them unheard because they come from religious people.

Obviously, a person can, as a matter of freedom of speech and religion, speak from a religious perspective when discussing social issues in a multi-cultural society. But to be persuasive to citizens who profess various religions including the religion of secularism, an appeal to reason is also necessary. There is wisdom in religious tradition, which can be shared with persons of other faiths or of no faith, and shared not only through an appeal to faith but also an appeal to reason.

With this in mind believers who, after all, constitute most of the citizenry, have every right and duty to become actively engaged in the public discussion of various, often contentious, social issues, and to do so with courtesy and respect. Whatever the irritation caused to those who profess a secularist faith—and secularism is itself a kind of faith—it is of great value to any healthy society that a strong religious voice speak out on all issues of public concern.

I would note, of course, that what I have just said is quite different from a common contemporary vision of the place of religion in society, one in which, in fact, there is no place for religion in the public forum. In that view, religion is a kind of personal emotional experience, a security blanket that some individuals apparently need in order to handle the stresses of life in a dangerous world. It should be neither seen nor heard, but should be safely tucked away in irrelevant corners of private life, and perhaps provide an occasional bit of pageantry to enliven the social scene. Religion, in this view, is tolerated only as a kind of hobby, like stamp collecting.

A major reason why that view of religion is attractive to many, is that too often in history people have murdered in the name of assorted religions, and have poured the sauce of faith over every kind of iniquity. No wonder that people say: forget about religion. If you must have it, keep it safely private where it can do no harm.

But, as with anything else, it is in those who live to the full the reality they espouse that we see the true meaning of that reality. Fairness dictates that religion be judged by its saints, not by its sinners.

Anyone can put on a hockey jersey and stumble around the rink, but that reveals nothing about hockey. All that is revealed is the incompetence of the individual.

If you want to see what hockey really is, you look at a great hockey player, perhaps (and I am betraying my recent life as an Edmontonian) Wayne Gretzky in the glory days of the Edmonton Oilers. That is why the Catholic Church highlights saints. It says, "This is how it is done." "This is what it looks like." To see Catholic faith lived to the full, look to Mother Theresa, look to Pope John Paul.

4) Religious communities endow society with beauty.

Beauty, truth, and goodness are the universal signs of God's presence and of that which is greatest in humanity. I have already referred to the acts of goodness and the insights into truth that religious communities contribute. But they also endow our society with beauty. Look around our city, at the art within the Royal Ontario Museum or the Art Gallery of Ontario, or the religious buildings on our streets. Listen to the great music and read the great literature. Religious conviction is now, as it always has been, a profound source of beauty.

The heavens proclaim the glory of God, and so do the artistic creations of those who reflect through their art the beauty that is found in the harmony of creation.

Art reflects the traces of the divine made manifest in nature. Although much great art is explicitly religious, that is not essential, and many artists inspired by the vision of faith produce work which manifests that vision simply through its beauty. Tolkien noted that the Lord of the Rings was unconsciously Catholic in the writing, and consciously so in the revision, but it can be enjoyed by those who simply appreciate the beauty, truth, and goodness found within.

What is important is that art and popular culture enhance a life of beauty, truth, and goodness, not detract from it. Why is it that before so many TV shows we are warned that viewer discretion is advised? We can bemoan that, but we also need to encourage artists, poets, musicians, and writers, and especially those who shape popular culture, not necessarily to produce religious art, but to draw the inspiration for their work from that which is life-giving, and which arises out of an ability to recognize the patterns of order and relationship that are the soul of beauty.

Religious communities live by analogy: they see connections between God and humanity, between the spiritual and the material, and between the human persons who form the wider community. They value relationships and context and harmonious order.

Religion offers to our multi-cultural society the essential gift of communities that provide a context for human dignity within the overwhelming and at times dehumanizing reality that is the secular state.

Religion offers society immense contributions of practical charity and social action.

Religion offers rational insights derived from a rich tradition of wisdom, a wisdom that can further the common good of our democratic society made up of many cultures and many faiths. Believers in each of them can enrich the whole community by becoming actively engaged in the democratic conversation.

And religion endows our society with beauty that witnesses to the spiritual greatness of the human condition.

Conclusion: Time's up

Time's up. Tick, tick, tick.

That is another way in which a watch can teach us about the contribution of religion to society. Not only does the religious vision reveal the context that makes life meaningful, it also reveals the practical significance of the fact of death, which none of us escapes. At the moment of death, no one wishes to have spent more time at the office.

Time's up. Life is short. Tick. Tick. Tick. How we spend our brief journey through life matters, and what matters most are the things that cannot be weighed or measured on a material scale: the wonder of the divine harmony in the universe, the beauty of art and music, the marvellous spiritual complexity of thought and language, and most of all the love which unites us and, as Dante saw, moves the sun and the other stars. These are things which religion grasps, but which escape the too coarse net of materialism, which is the ultimate delusion.

Religion reveals that what matters when time is up is not the things that we have acquired but the love that we have given away.

The appreciation of the meeting was expressed by John C. Koopman, Partner, Spencer Stuart, and Past President, The Empire Club of Canada.

Dr. John S. Niles, President, The Empire Club of Canada, and Most Reverend Thomas Collins, Archbishop, Archdiocese of Toronto.

June 5, 2007

Akela Peoples

Co-founder, President and CEO, Youth in Motion

TOP 20 UNDER 20

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sonja Bata, Founding Chairman, Bata Shoe Museum Foundation, and Ontario Chair, Canadian Forces Liaison Council; Heather Schoeler, Vice-President, Compliance and Operations, ING Wealth Management; Rev. Michael Clarke, Associate Priest, Christ Anglican Church, Brampton; Kamal Hassan, CEO, Skymeter Corporation, and Director, The Empire Club of Canada; Sarah Crawford, Vice-President, Public Affairs, CHUM Limited; Charles S. Coffey, Chair, National Advisory Council, Canadian Museum of Human Rights, and Director, The Empire Club of Canada; Fariba Anderson, Partner, The Manta Group; and Col. Allan Richard Halfper, OMM, CD, BSc, Deputy Commander, Joint Task Force Central Land Force Central Area.

Introduction by John Niles

Thomas Carlyle once said, "Youth is to all the glad reason for life; but often only by what it hopes, not by what it attains...." That is far from the truth today. For today we come to honour those who have made the most of their years; those who have done much in a short time to make a difference in the world.

In the case of these young people, George Bernard Shaw is found to be wrong when he said, "Youth is wasted on the young," for today we will hear of stories of those who have not wasted their youth, but tasted success in youth. And here to tell us more is Akela Peoples, HBA, BEd, MEd, Co-founder, President and CEO, Youth in Motion, an organization that has presented career conferences and a wide variety of other programs across Canada in the past nine years and the national awards program called Top 20 Under 20.

Akela is the recipient of numerous awards herself. In 2005, she was named one of the Top 100 Most Powerful Women in Canada by the Women's Executive Network and she was the youngest ever recipient of the YWCA's Women of Distinction Award in 2002 for Entrepreneurship. Akela has also received Toronto Sun's Women on the Move Award. Please welcome Akela Peoples.

Akela Peoples

Honourable guests, ladies, and gentlemen, it is my distinct pleasure today to introduce Youth in Motion's Top 20 Under 20 Award Recipients for 2007. They are young entrepreneurs, environmentalists, artists, community capacity builders and global visionaries. I know they will inspire you and leave you with great confidence that the future of Canada is indeed in very good hands.

Before introducing them, I would like to take this opportunity to share with you some information about Youth in Motion, a national charitable organization, which I co-founded 10 years ago. The goal was and still is to support and inspire youth to achieve their full potential through motivational and educational programming. We present a wide variety of programs that support our mission. We have delivered more than 100 Career Learning Days to raise awareness about career opportunities. We have created a highly effective mentoring program model for youth at risk that consistently delivers greater than an 84-per-cent success rate in getting youth at risk employed. We have an Educators in Motion program, a Career Discovery Web site and many other programs that support youth in the transition from school to work.

In short, Youth in Motion "ignites the power of possibility" in the minds of youth. We've positively impacted the lives of over 60,000 young people directly. And this is largely due to the support of many partners some of which are here today. The Institute of Chartered Accountants of Ontario, ING Canada and the ING Foundation, Bell Canada, and CHUM Limited are among our supporters. I am also fortunate to work with a wide and talented array of volunteers, and many of those are here today. I would like to acknowledge, in particular, Charlie Coffey, former Executive Vice-President of the Royal Bank of Canada who is one of our volunteer judges for the Top 20 Under 20 Award. It is a tremendous honour to work with so many people who believe passionately in the youth of our country.

I am acutely aware that I am not your main attraction here today. Twenty very talented young people are and it is my pleasure to introduce to you some of our country's greatest young leaders. After a national call for nominations with the support of CHUM Limited, our national media partner, our prestigious Order of Canada judging team assessed hundreds of applications from all provinces and territories in Canada. Our award recipients were then brought to Toronto for a five-day Leadership Summit and they were engaged in business etiquette training, media training, brand development workshops, and career coaching sessions. In short, they had a very exciting and very busy week with us. For the year following this week, they will be participants in a mentoring program in which they will be matched individually with a mentor. They will also dial in once a month to group mentoring conference calls and hear from some very prominent keynote speakers and have "a once in a lifetime opportunity" of unique learning through interactive question-and-answer periods. And this year, for the first time ever, we are holding a new Alumni Conference in August, as our goal is to keep this national community of young leaders connected for years to come. Among them, I am certain, are our future prime ministers, premiers, Nobel prize winners, community leaders and corporate CEOs.

And now, the moment you've all been waiting for. As I introduce our award recipients, I invite each to stand as I share with you some brief information about their accomplishments. Please hold your applause until they've all been introduced.

First, Gavin Bennett. Gavin is 17, and is from Brampton, Ontario. Gavin founded Riviera Technologies, a non-profit organization that offers youth from underprivileged families the opportunity for computer literacy training.

Prerna Chandak is 19 years old and is from Windsor, Ontario. Windsor, Ontario, has the highest unemployment rate in Canada and Prerna wanted to help with this by creating Windsor's first networking forum for young entrepreneurs.

Cody Clark is from Kemptville, Ontario, and is 12 years old. He created Cody's Individual Comfort Kits. More than 235 kits have been created and given to young patients to make their visit to the hospital much more comfortable and less frightening. Cody has raised more than $25,000 dollars through this endeavour.

April Dutheil is 17 years old. She is from Tlell, British Columbia. With the closest hospital located 40 minutes from her hometown (which is an island with no cell phone service), April identified a need for an increased number of public volunteers for the fire department. She organized CPR courses and trained 24 people to service the entire island.

Fourteen-year-old Sophia Gran-Ruaz is from Mississauga, Ontario. At age 11, Sophia founded a charity, Snug As A Bug, Kids Helping Kids, that provides children staying in shelters with care packages.

Sally Hakim is 18 and from Toronto, Ontario. After rallying her student body to raising $32,000 worth of medical supplies for the 2004 Tsunami victims, Sally continued her work by leading a team of 12 students to build a school classroom in Kenya.

Raymond Ko is 19 years old and he is from Saskatoon, Saskatchewan. Raymond founded the Music Sensory Awakening Program and has developed various methods of music training as a positive influence in the treatment of autism.

Stephen Lake, a young entrepreneur, is 17 years old and is from Toronto, Ontario. His first business was started at age 13. RC Tunerz provides high efficiency LED lights for mobile vehicles. He founded his second business at age 15. Harmonic Synergy Entertainment is a DJ entertainment business.

Ronan MacParland is age 19 and he is from St. John's, Newfoundland. In Kenya, he is known by locals as the "Miracle Boy." He most recently established a community centre complete with a well-stocked library, a fully equipped computer-training centre and many meeting rooms in a small village in Western Kenya. He even has a few children named after him there in honour of his contributions.

Tracy Mah is 19 and she is from Edmonton, Alberta. As a sufferer of lethal allergies, Tracy became fascinated by the immune system's responsibility for a myriad of disorders. Through her research, Tracy's experiments suggested that chimerism, the co-existence of two genetically different populations of cells, may be remarkably effective as a natural alternative to immunosuppressive drugs.

Samantha Milner is 16 and she is from Beaconsfield, Quebec. She founded Sassy Sam's Inc., a retail gift business at age 11. She has 15 sales representatives across Canada and has over $1 million in sales annually. Her products are in 500 retail outlets and, incredibly, Samantha believes in giving back to her community as she has donated more than $40,000 to local charities.

Ted Paranjothy is 18 years old. He is from Winnipeg, Manitoba. Ted's innovative science project has led to the discovery of an anti-cancer agent. His work has caught the attention of the University of Manitoba, which has filed a provisional patent application on his behalf. Ted has also logged over 2,000 volunteer hours.

Simon Pickup is 18 and he is from North Vancouver, British Columbia. He founded Youth Hydrogen in 2004 to foster the development of young leaders while advancing the global shift to hydrogen energy. Youth Hydrogen is currently overseeing the design and planning for the construction of a hydrogen refueling station in the city of North Vancouver.

Nakita Sekhon is 17 and she is from Victoria, British Columbia. In 2001, Nakita travelled to India and saw first-hand the plight of many children in that country. She later founded Jamsher Children's Village, an orphanage that will offer a home-based environment for almost 30 children.

Jasmeet Sidhu is 19 and is from Brampton, Ontario. Founded in 2004 by Jasmeet, the Peel Environmental Youth Alliance has grown to over 300 members. It has been recognized nationally as a definitive place to pool the passion, knowledge and skills of youth environmental leaders.

Yvonne Su is from Holland Landing, Ontario, and she is 17. Yvonne initiated her high school's first student-run recycling program, the Denison Environmental Club. Three years later she has led this initiative coast to coast speaking to thousands and spreading the message of sustainability.

Asha Suppiah is from Deep River, Ontario, and is 19 years old. After spending a few years exploring the utilization of solar energy in the production of fresh water, Asha eventually succeeded in developing a novel, cost-effective and efficient technique for this process. Her invention is currently patent-pending.

Ryan Thirlwall is 19 and he is from Victoria, British Columbia. Ryan is a survivor of abuse, hard-core drug addiction and crime and he has turned his life around in the past five years. He has a very strong commitment towards positive youth development and this has led him to speak to thousands of young people throughout Canada. His latest endeavour is the Pay It Forward bike tour in 2007 where his goal is to raise $1 million for disadvantaged youth.

David Wang is 17 and he is from London, Ontario. David's research provided a solid foundation for the development of a plant-based, safe, cost-effective and edible SARS vaccine. Fuelled by this success, he began a new immunal therapy for autoimmune disease and after two years, he generated transgenic plants expressing a protein that has demonstrated great promise in the treatment of Type-1 diabetes.

And finally, Samantha Whiteside is 17 and she is from New Hamburg, Ontario. She is the 38th person and second-youngest ever to swim across Lake Ontario. Samantha's crossing raised over $25,000 in 2006 for juvenile arthritis, the same disease that afflicts her today.

Ladies and gentlemen, please give this year's Top 20 Under 20 award recipients a round of applause.

Thank you so very much and that is a well-deserved round of applause. I am going to call upon four of our award recipients to join me at the podium as I'd like you to hear a little more about their activities.

(Akela then invites Ted Paranjothy, Samantha Milner, Sophia Gran-Ruaz and Simon Pickup to "the stage" and engages these youth in an unscripted "question-and-answer" format dialogue).

I believe it is clear ladies and gentlemen that we are definitely not short of passion, enthusiasm and energy in our Top 20 Under 20 award recipients this year.

I would be doing a great disservice to Youth in Motion if I didn't ask for your support. As a charitable organization we must raise almost $2 million each year to do the important work that we do. Youth in Motion turns lost into leadership. Each of these talented young people that you have met today are passionate, inspiring individuals and they act as powerful peer role models everywhere they go, inspiring other youth to stay away from negative activities, embrace a goal or a cause and channel their energies positively. There is a donation card on your table today and I very much encourage you to complete this card and support our organization because we cannot do this work without your help. The future of our country cannot be left to chance.

Donald MacGannon once said, “Leadership is action not position.” I hope that we have proved that to you today and I do hope you’ll consider supporting us.

Lastly, the quote that hangs on my office wall says, “To do what you love and know that it matters, how could anything be more fun?” I am honoured to live that every day. Thank you so much for inviting me to stand here before you today. It has been a tremendous privilege and a great honour.

The appreciation of the meeting was expressed by Kamal Hassan, CEO, Skymeter Corporation, and Director, The Empire Club of Canada.

June 15, 2007

Antoni Cimolino

General Director, Stratford Festival of Canada

THE STRATFORD EXPERIENCE

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Sylvia Morawetz, Past President, Tapestry New Opera Works, and Director, The Empire Club of Canada; Chris Crowell, Senior Associate Director, Bell Canada, and Board Member, Shakespeare In Action; Kelly Meighen, Chair of The Board of Governors, Stratford Festival of Canada; Martin Hunter, Director, K. M. Hunter Foundation and Author, "Romancing the Bard: Stratford at Fifty"; Reverend Vic Reigel, Honorary Assistant, Christ Church, Brampton; Stanley H. Hartt, Chairman, CitiGroup Global Markets Canada Inc., and Director, The Empire Club of Canada; Martha Henry, Director, Birmingham Conservatory for Classical Theatre Training, Stratford Festival of Canada; Richard Rooney, Vice-Chair of The Board of Governors, Stratford Festival of Canada; and Nichole Anderson, Program Manager, Business for the Arts.

Introduction by John Niles

Past Presidents, Directors, members and guests of the Empire Club of Canada:

Or should I say with this august crowd,
"Friends, Romans, countrymen lend me your ears."

Familiar words to be sure, taken as we all know from the great Shakespearean play "Julius Caesar"—a tale that speaks of the brutal end of one leader and the rise of another and the scheming, maneuvering and intrigue that ensued.

Now, no one would ever say that would have anything to do with the real life of the theatre. Would one?

After 35 seasons Richard Monette announced in February 2005 that he would retire at the end of 2007. Having spent 35 seasons in various capacities at the festival and becoming the longest-serving leader of the festival, by the end of his tenure he had served 15 seasons in the post of artistic director.

One leader's tenure has come to an end, not brutally or abruptly, but elegantly, wistfully and successfully, and today we hear of the rise of another.

If Shakespeare was right in "As You Like It," and no one would dare say otherwise, "All the world's a stage, and all the men and women merely players. They have their exits and their entrances; and one man in his time plays many parts." (Act II, Scene VII).

Antoni Cimolino enters this stage playing the part of General Director of the Stratford Festival of Canada with a grand entrance worthy of his experience.

Mr. Cimolino oversees the successful operation of Canada's largest non-profit arts organization, with more than 1,000 employees and an annual budget of over $52 million.

During Mr. Cimolino's tenure, the festival has successfully launched a Stability Fund and an Endowment Foundation and has significantly improved its infrastructure. The Stability Fund now stands at $5.6 million and the For All Time Endowment Fund is expected to reach its $50-million goal by the end of the 2007 season. Mr. Cimolino's leadership was vital in the $14-million renovation of the Avon Theatre. He played a key role in securing generous private donations that helped build the Studio Theatre in 2002. Mr. Cimolino oversaw the development of the festival's $6.5-million Brunswick Street facility, which provides state-of-the-art technical facilities and houses the festival's massive warehouse and archives. As a theatre director, Mr. Cimolino's recent credits include "As You Like It," featuring original music by Barenaked Ladies, "King John," and "Love's Labour's Lost" with Brian Bedford. Other Stratford Festival directing credits include "Twelfth Night" with William Hutt, and "Filumena" with Richard Monette. In 1998, Mr. Cimolino won two Best Director awards from the Detroit Free Press and the Detroit News for his "Twelfth Night" at Detroit's Attic Theatre. Mr. Cimolino is also an accomplished actor. Prior to launching his directorial and administrative career, he performed regularly on Stratford stages in roles including Romeo, Laertes, Claudio, Flute and the Dauphin. Originally from Sudbury, Ontario, Mr. Cimolino lives in Stratford with his wife, actress Brigit Wilson, and their children, Gabriele and Sophia.

Please welcome Mr. Cimolino.

Antoni Cimolino

Thank you very much John. And thanks to all of you for coming out on this beautiful Friday afternoon in the summer. It shows real dedication.

As many of you know and as John referenced, 2007 is the final year that our current artistic director Richard Monette is in charge and he has led 14 wonderful years, the longest-serving artistic director in our history. So many wonderful things have happened during his tenure. As a successor and a former actor myself, I am only too aware of what William Shakespeare wrote in "Richard II," "In the eyes of men, after a well-graced actor leaves the stage are idly bent on him that enters next; Thinking his prattle to be tedious." So I hope you won't find that I'm either a prattler or being tedious today.

I thought you might be interested in knowing what our thoughts are about the future of the Stratford Festival after Richard Monette. And to do that I want to spend a few minutes going over the past because, as the bard once said, "What's past is prologue." The past in our case begins in 1953. Stratford was a small town but a very successful manufacturing community and a railway town that was facing crisis because the Canadian National Railroad had decided to shut down the divisional offices that employed 2,000 men in a city of only 18,000 people. Something badly needed to be done in order to keep Stratford on the map at all and that's the moment that Tom Patterson, a native-born Stratford journalist, decided that it was time to capitalize on the town's name and also its Victorian charm and open up a summer festival dedicated to the works of William Shakespeare. It was a truly crazy idea. Nevertheless it seemed to have legs.

Now to appreciate how daring and how crazy Tom's idea was you have to know that he had seen maybe two plays in his life and he only knew of one great actor-manager, Laurence Olivier. But Tom Patterson was a visionary and so armed with $125 in his pocket, that he had managed to cajole the Stratford City Council into giving him, he got on a train for New York City and he went to find Olivier and enlist his support for this great idea. With a B movie, Patterson would have been successful. He would have been able to just get past Olivier's obstructive secretary, go right to the great man in the Algonquin Hotel and get his name on a contract. But in reality unfortunately he was turned down flat.

Sometimes life can be even cornier though than a B movie. Eventually Tom with perseverance and with luck managed to find someone who better suited the role than even Laurence Olivier did. That was the legendary Irish director Tyrone Guthrie. Tyrone had a vision of his own. He wanted to build a revolutionary stage and in post-war Europe there was no hope of getting that stage built. It fused together elements of the Greek amphitheatre, the Elizabethan stage house and elements of the Roman stage. It was a revolutionary stage because it placed the actor and the text right in the heart of the audience. It changed performance styles for Shakespeare. No longer were the actors away in the distance behind some sort of box competing with the sets. They were right next to each other in spatial relationships. They were just like real life and speaking just as people do. It made for an enormous change in the way that we heard and saw Shakespeare. Thanks to Guthrie, though the festival's first home was a tent, its foundations were in concrete. And with Alec Guinness on July 13, 1953, and Irene Worth and a host of brilliant young Canadian actors some of which like Douglas Rain had to come back from London to finally get work at home here in Canada, we opened up an incredible festival.

Now theatres around the world are based on this Canadian model, whether it is the Guthrie Theater in Minneapolis or the Mark Taper Forum in Los Angeles or of course the Vivian Beaumont Theater, Lincoln Center, New York City and in England too in Manchester and Sheffield and Chichester and ironically the largest theatre in the Royal National Theatre is based on the festival stage. I say ironically because it's named the Olivier Theatre.

Ever since that night, that famous night, slowly but steadily, decade after decade, through booms and busts, the Stratford Festival has grown in size, in audiences and in artistic reputation. In 1957, the tent of course became the beautiful Festival Theatre and three other stages were subsequently added. The company increased in size. Now it is well over 1,000 people who are employed at Stratford as technicians or actors or stage managers or marketers. The repertoire has expanded to include new Canadian plays, foreign-language translations and musicals. And the performance season was extended from a mere six weeks to over seven months. The budget has soared as you have heard to well over $52 million and today a half-million people come to Stratford every year because of the festival. And we directly generate more than 3,000 jobs and about $170 million in economic activity in and around the town. And of course success is always sweeter than failure.

But I needn't tell you in this room that success brings its own unique set of challenges. If you are the biggest or the best, how do you keep growing and changing? And if on top of that you are a not-for-profit cultural institution with more than 50 years of acclaim to your credit how do you keep the creative juices flowing? How do you compete against new upstarts both at home and abroad and, even tougher, against the enormous expectations that come with 50 years of that glorious reputation that you've inherited?

I know that in the years ahead things will become even more challenging. For one thing, our audiences are getting older and while we hope that succeeding generations will be as interested in Shakespearean theatre as they are today and theatre generally, there are competing forms of entertainment—a world full of DVDs and computers and rock concerts, you name it. Further, people tell us that Shakespeare is no longer central to the school curriculum as it used to be. And the cost of tickets and transportation is a barrier for many young people and kids today aren't accustomed to sitting for hours in a dark theatre without a jumbo box of popcorn and some Dolby sound. These things could seem a bit daunting were it not for the absolute confidence that we have in the power of live theatre and the ability to reinvigorate Shakespeare and the classics for a modern audience.

And yet, seemingly, there will always be factors beyond our control—the rise of the Canadian dollar for instance, the SARS crisis a few years ago, nine eleven, fuel prices, delays at the border, the introduction of legislation requiring passports at the border—so we cannot just sit back and depend upon our fame and our glory to have people keep coming. Nor can we or should we depend entirely on government funding to bale us out in bad times and cushion us from the competition in good times. Government policies change with parties from election to election and government budgets themselves swing wildly between deficits and surpluses. Last year, you might be surprised to learn, that the federal and provincial governments, combined in terms of their funding, contributed less than $2 million to our annual operations. That's about 4 per cent of the total budget of the Stratford Festival. That compares for instance to like-size enterprises, the Royal Shakespeare Company, which receives about 45 per cent of its budget from government or the

Royal National Theatre, which receives 49 per cent. We are deeply appreciative of the investments that are made by government in the Stratford Festival, but we feel that there's an opportunity there that could be realized. I will give you an example.

Two million dollars are invested. Now according to the Conference Board of Canada those governments earn annually almost $64 million in taxes; that's with Canada's three levels of government in the area. Now some economists here might say, "Well Canadians might have spent that money on something else, another form of entertainment, and that too would have generated that amount of taxes." But remember that 40 per cent of our audiences come from outside Canada and not only come from outside Canada but specifically to Stratford, for something that they can find here in Canada, something that Canada did right and they can't get back home. And along the way they pay Canadian taxes and those taxes pay for Canadian roads and run Canadian hospitals and run Canadian schools. So obviously we believe that there is more support that could be flowing to the Stratford Festival but at the moment until matters substantially change we are going to work with our partners at the Ontario Arts Council who are here today and the Canada Council to make an argument for more money for a number of different reasons.

There is one reason though that I think is paramount in a country like Canada and that has to do with our unity and our identity. We have a preposterous geography. It is a beautiful expanse of country but it borders an economic, military and, more importantly, a cultural superpower. We have a country that's built on immigration, and that's a glorious and wonderful thing. That's something that's going to continue in the ears ahead, but we need to be able to talk to each other to find communal values, to tell each other our stories and we can only do that really in a way that builds not only understanding but empathetic understanding, one with a another. The arts are uniquely positioned to be able to do that. They are vitally important to creating understanding and unity in a country like Canada. So today I would say we should be approaching the arts with the same energy that we expended 120 years ago in building a railway across this country and for the same reason—to build unity and understanding among our people. The arts are the new wedding band of Confederation.

Now in moving forward into the future how do we solve all these seemingly daunting problems that we have in place? I realize I could take my cue from our DNA from 1953, from that night on July 13. I thought about what we were on that evening. At Stratford that night we were surprising, we were innovative, we were national and we were international and we were soundly based upon the words of William Shakespeare. And it is with that hue that we approach the future, that I will approach the future with a team of brilliant artistic directors. Why do we have a team? Because we found that more and more in Canada, and this is true of the arts in general, we are busy turning our artists into administrators. We found that especially the case when we began to look for artistic directors across the world and found out the best candidates wanted to actually spend time in the rehearsal hall, to be working with other artists, to be directing plays, and also to be able to get away and build relationships in other areas and grow themselves as artists.

And so the Board of Directors decided to change the leadership model so there would be an individual who would be there to guide the long-term development of the festival—the artistic development and the strategic development of the festival—and three extraordinary individuals who suddenly became very interested in working at the festival once the model changed, who would be working with the artists on a day-to-day basis. And let me tell you a little bit about who those people are.

First of all there's Marti Maraden. Marti is a life source. She was an actress with the company for many years, became an extremely powerful director of Shakespeare over the years, and she has just spent eight years at the National Art Centre where she was the head of English theatre and was really a driving force in the creation of the Canadian new play festival, the Magnetic North. She knows people in every part of this country and is well respected by them.

Des McAnuff was a young man from Scarborough who was a writer and a musician and came to work at the Stratford Festival in the early eighties. He directed a production of the Scottish play there and afterwards went off to the United States to the New York Shakespeare Festival and to La Jolla for 23 years where he established a body of new work as well as classics and of course some glorious productions of musicals. He's a two-time Tony award winner and he's an innovative visionary man.

Don Shipley, the third of the group, is a Stratford native. He was a young man who was actually an actor on the stage of the Stratford Festival. He went away to establish the Belfry Theatre as a founding artistic director, to run theatres across the country, the Grand Theatre, and for many years he was the head of the du Maurier International Theatre Festival here in Toronto. Most recently he was in Dublin where for a number of years he ran the Dublin International Theatre Festival. I thought it was time for Don to come home.

So individually and collectively Marti, Des and Don bring a remarkable amount of talent and diversity and fresh ideas to Stratford.

Now what are our goals for the future? Well they really fall into three areas. Quite simply the first has to do with rededicating the Stratford Festival to Shakespeare and the classics. And the second is to open up the windows and the doors to influences nationally and internationally and the third is really about developing and showcasing Canadian talent.

Now I'd like to talk to you briefly about those three things.

Let me begin with the last. Artistic development is critical to the happiness and the success of the artist. That's true for people but for artists it is vital. We have always had an emphasis on the development of the artist at the festival in many different training programs. One that we are most proud of is the Birmingham Conservatory for Classical Theatre Training. This is a program that takes exceptional young actors and gives them the skills they need to take on the classics. We usually have several thousand applications a year. We will audition hundreds and hundreds of young people and we will take 12. The program was very good and it got better with the appointment of Martha Henry as the director of the program. She is in the process of building an extraordinary syllabus, concentrating the program, making it even more stringent in terms of actually getting in, making it a two-year program instead of a one-year program, so we really are bringing in by far the very best. We pay these young people to be trained because we want to make sure that talent and not means is the reason that they are in the room. This year we are also introducing a new program—a master director program. Five weeks in the summer of '08, internationally renowned directors will be coming to Stratford and working with the most promising young directors from across this country. Working with them on the classics and on the thrust stage. We also are expanding our theatre training program under the leadership of David Latham who's an internationally renowned teacher who will be working in a much more focused and concentrated way with our acting company in the years ahead. And of course we are going to continue and grow the apprenticeships and the many other training programs that we have in place for designers and directors and actors.

Opening up the windows and the doors. We are going to be announcing our 2008 season soon so the trick in an address like this is to say something but say nothing. Look for a season that contains tours, a season that contains partnerships. Look for a season that has artists visit us from around the world and also companies that will visit us. Why? Because we believe that it is incredibly important for our artists and our audiences to come into contact with influences and work styles from other areas. We are extremely confident in the way that we work but we also realize that we need to be able to speak to others and compare how we go about creating art and I think that's going to be a very exciting development in the years ahead.

The importance of new work and world premiers is going to be accentuated in the years to come. While we are going to be doing those two things, we will showcase the works of William Shakespeare in extraordinary, contemporary interpretations. At first blush that might seem like a kind of archaic even eccentric thing to do, being as we are at the beginning of the 21st century. I sometimes wonder if Tom Patterson had been born in Dryden Ontario for instance, he might have founded a summer festival dedicated to John Dryden, the seventeenth-century dramatist, and revised Romeo and Juliet to give it a happy ending. It might be jolly. Then sometimes in the middle of the night I wake up thinking that what if Tom had been born in Milton Ontario? There are a lot of readings of "Paradise Lost." But it was his good fortune that he was born in Stratford, the birthplace of William Shakespeare, and thus he founded a festival dedicated to the greatest playwright who ever lived, who wrote more than three dozen brilliant pieces of work from comedies, histories, romances, tragedies with the wisest incites and the funniest witticisms and the cleverest word play ever penned in any language.

So yes, we need to be the best in everything we do whether it's musicals or classics or translations or new plays. But we need to use a current phrase "to own Shakespeare"—to make the festival a treasured annual pilgrimage stop for every theatre lover, every scholar, actor and director who worships at the shrine of Will. We must provide not only inspired productions on our stages but also enrichment activities and events that invite people in to better understand and appreciate the joy of Shakespeare. You will look for that as well in the announcement that's coming up. And also we will be taking a close look at that Festival Theatre, finding ways of making it even more inviting and finding more spaces within it for people to come and enjoy and understand his works.

Why? Because I truly believe in an increasingly secular age in which there are so few sanctuaries from the stress of getting and spending, so few prophets to summon us up to higher selves and lend some understanding to our lives. Shakespeare is more necessary now than ever before. That I know might seem a little over the top especially coming from a guy who grew up the son of Italian immigrants in Sudbury Ontario. In Sudbury when I was a kid, public art meant the Big Nickel. My first language was Italian and I was brought up in a very proud culture that revered Dante and Petrarch. I came to Stratford when I was 16. I came to Stratford with a group of friends and I randomly stumbled into a Robin Phillip's production of "Love's Labour's Lost," a play that I had never studied or even read and I was transfixed. I looked down on that stage and as a teenager I recognized that he was writing about me. He was writing about my friends and here was a playwright, who lived 400 years before I was born, writing with such humour and such understanding about what I was going through at that time. It was so true and it was so funny that it made me laugh out loud and as I laughed I realized that I wasn't alone, that there were almost 2,000 people in that room laughing with me. I realized for the first time in my life in a way that had never occurred to me before oddly that I was connected to something great and glorious. I was part of the human family.

I had become connected to the rest of humanity, past, present and future, by the sharing of common feelings and similar experiences, by intelligence, by his beauty and by delight. And even today, sometimes when I stand offstage in the festival, I observe the audience watching "King Lear" for instance and I'm deeply moved by the wrapped look of attention on people's faces. There are 1,830 different people perhaps in very different situations in the audience. Perhaps some people are terminally ill, perhaps some people are in the middle of a divorce, in the middle of a bankruptcy, perhaps some are in abusive marriages and on the other hand maybe some are in love for the first time, some bearing their first child, some who have known war and some who are just simply there on a date. But all of them are seeing "Lear" in 1,830 different ways and they are all as a group sharing in their experience of watching "Lear" and his need for love and his painful vanity and his rage, his insanity and then ultimately his unbearable grief. The theatre is both a personal experience and also a social experience simultaneously, both intimate and yet universal.

My adolescent epiphany at Stratford was so profound that I went back home and I told my parents that I wasn't going to law school and that I was going to be an actor. You can tell that it went over very well. I realize my family worked very, very hard and as immigrants they were trying very hard to give their children as many opportunities as possible. You can imagine my father's reaction. He mentioned the word artist as a sort of combination of pimp and car thief. Anyway in 1988 I was fortunate. I landed a job at the festival as the interpreter in "All's Well that Ends Well" and when I directed my own production in 2003 of "Love's Labour's Lost" on the Festival stage I received a very, very kind and beautiful note from Robin Phillips and it was like a big circle had been completed.

Of course my experience isn't unheard of. Countless men and women, boys and girls, educated and illiterate, of every faith and nationality have had their lives transformed by an encounter with William Shakespeare. And to those who haven't I can only say that it comes like an emotional, intellectual and spiritual lightning bolt, a kind of flash of empathy and understanding that lights you up on the inside and gives you a slightly larger sense or much larger sense of what it means to be human. Once a great tragedy or comedy touches your heart that way, sometimes with pain, sometimes with exhilaration, it has a lasting effect. In Shakespeare, genius met craftsmanship and quite a bit of business savvy too I might add to create works of art with such density, ambiguity, profundity and humanity that they speak to us in new and fascinating ways no matter how many times we've seen them, no matter what our age or background, and no matter what era or continent we inhabit. And sometimes they are as celestial as a religious service and other times they are as amusing as a soap opera. Sometimes they are too painful to watch and other times they are rude and farcical. They change as we change. The words and the ideas that we hear in our teens are not the same words and ideas that we hear in our thirties or in our fifties or in our eighties. In other words, Shakespeare reflects life with all its changing and bewildering chaos and for that reason I think all of us in the theatre do a huge disservice to him and to our audience if ever we present a humdrum production. But also we do a disservice when we elevate his plays into something too precious or too holy. "Arise, I pray you rise," Shakespeare himself says in "Pericles," "we do not look for reverence but for love."

Despite his bourgeois ambitions and popular success, he was a misfit in a theocratic age, an outsider as an actor and a free thinker, a lover of ribald jokes, fat robes and wicked witches. Like all great art, his plays remain subversive because they have the power to pull us out of the routines and the regulations of our conventional lives. They lift us up to divine heights, they help us empathize with others' hellish despair, make us reassess our feelings and our thoughts, cause us to celebrate and reflect upon our existence on this earth and so they force us to ponder our mortality. Doing that better than anyone else was, is, and will always, be the role of the Stratford Festival. It will be our prime purpose and our core challenge.

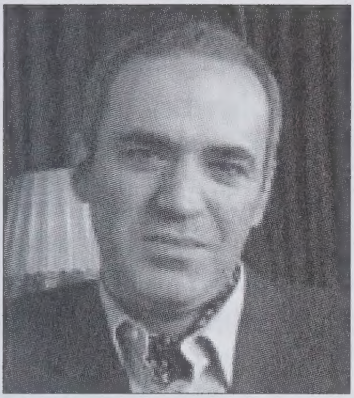
Not long ago I lunched with an elderly woman. She was an intelligent bright-eyed octogenarian with her niece, who was herself in her sixties. The two of them had been coming together to Stratford, season after season, for many, many decades. It was their annual get-together and I could tell that there probably weren't going to be too many seasons left. The aunt recounted all of the wonderful summers in which they had shared their love for Shakespeare and the classics and the discussions they had had together, the intimacies they had revealed one to another and the companionship that they had found. I couldn't take my eyes off the aunt. She was amazing. But then I turned to her niece and when I turned to her I was so struck to see her smiling, yes, but her eyes were brimming with tears at her aunt's retelling of the time they had shared together at Stratford. It was an incredibly moving moment and I see their experience repeated over and over again at Stratford in the high school students, who have never been to the theatre before, so innocent they sit in shocked disbelief when Romeo or Cordelia dies and the young parents who bring their small children to see a musical or a family show as a way to share quality time together. And middle-aged couples, who return with their children now grown up, to sharpen their minds and to revive their spirits and to enjoy one another's company again and finally in the widows and the widowers who now come with their friends like they used to do with their loved ones in happier times to seek solace and guidance and beauty and truth.

As thinking, feeling individuals, we find in the classics new ways to understand ourselves, to develop our responses to life, and to come to terms with the vicissitudes of fortune. As engaged citizens, we find new ways to interpret the political and social issues of our time and as members of family we find new ways to connect, to communicate, and to anchor our relationships in an annual tradition.

That, ladies and gentlemen, is what we call the Stratford experience and I hope you will all be part of it. Thank you.

The appreciation of the meeting was expressed by Stanley H. Hartt, Chairman, CitiGroup Global Markets Canada Inc., and Director, The Empire Club of Canada.

Martin Hunter, Director, K.M. Hunter Foundation, and Author, "Romancing the Bard: Stratford at Fifty," and Reverend Vic Reigel, Honorary Assistant, Christ Church, Brampton.



June 19, 2007

Garry Kasparov

Greatest Chessplayer of All Time and Chairman, United Civil Front of Russia

BIG PICTURE THINKING AND DEMOCRACY IN RUSSIA

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Gareth S. Seltzer, CEO, TWS Private Management Inc., and Past President, The Empire Club of Canada; Adrian Poon, Senior Student, North Toronto Collegiate Institute; Grant Kerr, Pastoral Assistant, St. Paul's United Church, Brampton; Pascal Charbonneau, Chess Grandmaster, Two-Times Canadian Chess Champion, and Equities Trader, Belzberg Technologies Inc.; Marina T. Dessiatkina, Trade Commissioner, Republic of Sakha (Yakutia); Sidney Belzberg, Co-Founder, Chairman and CEO, Belzberg Technologies Inc.; Daria Kasparov, Spouse of Garry Kasparo; Vadym Kozub, Regional Director-Toronto Chapter, Canada Eurasia Russia Business Association (CERBA); Doug Morris, President, Humidity Solutions and Morris Glass, and Director, The Empire Club of Canada; Roman Pelts, Founder, Chess Academy of Canada; Michael W. Lipp, Vice-President, The Staubach Company; James Small, Vice-President, Government Affairs, Dundee Precious Metals Inc.; Richard Rooney, President, Burgundy Asset Management; and Alicia Belzberg, Co-Founder and Executive Vice-President, Belzberg Technologies Inc.

Introduction by John Niles

Past Presidents, Rev. Sir, honoured guests, Directors, members and guests of the Empire Club of Canada:

It was Abraham Lincoln who said, "I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live by the light that I have. I must stand with anybody that stands right, and stand with him while he is right, and part with him when he goes wrong."

These words could just as easily have been said today by Garry Kasparov as once they were said by Lincoln.

Mr. Kasparov was once known as the Grand Chess Master—the youngest world chess champion ever, at 22, when he took the title in 1985 and held it for 15 years, which was the longest in history.

He was known for beating the titans of the chess world year after year and lost to IBM's "Deep Blue," yet he fought back to beat the supercomputer, after which he retired from the chess world and began his rise in politics.

After his retirement, he created the United Civil Front, a social movement whose main goal is to "work to preserve electoral democracy."

Now Garry Kasparov has taken his game to the streets as a high-profile political dissident. He is up against Vladimir Putin at a time when Russia is cracking down on dissent. This is a dangerous game.

Having begun this political chess match he said during an interview, "I believe my country is in trouble. ... My country is on the wrong path. ... The Russian political life needs to be fixed."

He has conquered in the past because he knew the rules and won because of that. Now the problem is, as he said during that interview, "If it's a game, there's always a chance of winning if you know the rules. But in Russian politics, there are no rules."

Again, it was Abraham Lincoln who said, "Always bear in mind that your own resolution to succeed is more important than any one thing."

Please greet with me Mr. Kasparov.

Garry Kasparov

Good afternoon and thanks to the Empire Club for inviting me here today. My thanks also to Sid and Alicia Belzberg and Belzberg Technologies for doing their utmost to make it happen. It is an honour to speak where two great anti-Communist leaders, Ronald Reagan and Margaret Thatcher, have spoken, as well as every Canadian prime minister. I have no doubt what Reagan and Thatcher would say about the latest developments against democracy and individual freedoms in Russia.

Perhaps because the game of chess is strongly associated with intelligence, all my life I have been asked questions about how I succeeded. When I became the youngest world champion ever at the age of 22 there were many stories about me. That I had a photographic memory, that I spoke eight languages, that I ate special "brain foods," and that I saw dozens of moves ahead during a game. All myths, unfortunately. My memory is probably better than most, but my wife Dasha will tell you I am still capable of forgetting appointments and birthdays. As for foods, I don't think the world is yet ready for a "Kasparov Diet Book."

As is usually the case, my secret was no secret at all. All success is based on a combination of things. Often these are opposite pairs that must work in harmony. Talent requires hard work. Calculation requires evaluation. Good strategy requires good tactics to succeed. When we combine these things in the right balance we develop what is most important—our intuition. It is with that extra sense we can look beyond what is in front of us and find hidden connections, see into the future, and look at the big picture.

I recently wrote a book, but not a diet book. Its title is "How Life Imitates Chess." It is not a recommendation to learn chess, although the game has much to offer. The book is about the tools that chess gave me, and what I learned about decision making during my chess career. I spent my life thinking about thinking. I believe everyone in every field, at work and in their personal lives, can benefit from careful consideration of their own mind and their own results and, most importantly, how they reached those results.

On March 10, 2005, I played my last game of competitive chess after three decades as a professional chessplayer. The announcement of my retirement was a bit theatrical, delivered without warning at the closing press conference of the Spanish tournament I had just won for the ninth time. In one day I went from the top of the chess world to a role in the struggling pro-democracy movement against the increasingly authoritarian regime of President Vladimir Putin.

Meanwhile, the opposition forces were in total disarray and needed the help of anyone who could help. Currently my job is one of moderator and organizer for a broad, non-ideological coalition of opposition groups called "The Other Russia." It sounds tranquil enough, but in Russia today being a political activist requires fighting spirit as much as strategic judgment.

Apart from my natural desire to fight on the side of human rights and democracy, there was a more personal impetus behind my decision to enter politics. I grew up under the methodical oppression of the USSR, coping and fighting inside and outside the system for much of my life. The thought of my children not growing up in a free country still sends chills down my spine.

Last year I spoke at the centenary celebration to honour the great Austrian mathematician Kurt Gödel in Vienna. Gödel was as crucial and revolutionary for mathematics in the 20th century as Einstein was for physics. Several of his important theories have relevance outside mathematics. One states that every system will contain a problem that cannot be solved from within the system itself. When known methods cannot provide solutions we must examine our methods and look outside the system, to rise above it. In turn, this creates a new, larger system in which we can tackle these new challenges. This new system, however, eventually reaches its own limitations. And the process continues.

We can look to current events for a case study. The Bush administration thought that removing Saddam Hussein would solve many problems at the same time.

Perhaps that was true back in 1991, but in a post-9/11 world it was a naïve belief. We have bigger enemies now, and we cannot fight them with outdated methods. It is difficult to realize in time that a new framework is required and even harder to have the guts to make the change.

After WW II, the retired Winston Churchill gave a speech about the future. The great wartime leader had quickly been voted out by the British people. Sixty years ago in Fulton, Missouri, on March 5, 1946, in his renowned "Iron Curtain" speech, Churchill spoke about the new dangers to freedom, this time from Communism. It is almost forgotten that he also warned how the newly formed United Nations could lead to corruption and gridlock. Today we are stuck with an outdated Cold War organization that was developed after WW II to prevent a nuclear clash between superpowers. It and its mission became obsolete after the fall of the Berlin Wall. Instead of an entity that excels at freezing conflict, we need one that can offer viable solutions.

Looking back through history, great changes in the framework between nations have been necessary after a period of great conflict. After the First World War we had the Versailles Treaty and the creation of the League of Nations. The league was a failure and the unwillingness to accept this fact led to World War Two. After the Second World War we had the United Nations. Now, after the Cold War, we again need fresh ideas, new organizations that are based on new global dividing lines of the value of human life and democracy. We need a new consensus based on common morality and common goals. The old stalemate diplomacy of the Cold War will not help us against suicide bombers.

Having mentioned Einstein, he once made a statement that echoes this concept of the need for new frameworks. He said, "The significant problems we have cannot be solved at the same level of thinking with which we created them."

Together with new organizations we need to recognize our enemies and their weapons. And I'm not talking about the famous WMD, wherever they are. We don't want to face the fact that much of the money that is spent on Middle Eastern oil goes to support terror and suppress democracy around the world. In 1919, Lenin and Trotsky launched the Comintern (Communist International). Today we have "Oilintern" and "Gasintern" that are just as menacing. Iran, Saudi Arabia, Sudan, Algeria, Venezuela, and, unfortunately, a key player on this oily political field, Putin's Russia.

A few days after hostilities broke out between Israel and Lebanon last year, the Putin administration released its list of recognized national and international terrorist groups. This was the first time the list had been made public. Strikingly, both Hamas and Hezbollah were missing.

Seeing the bigger picture means realizing everything is connected. Consider what is happening in my own country and how it affects Canada and Mexico, where I spoke just last week. Putin badly needs oil revenues to sustain his grip on power in Russia. Russia sells nuclear technology to Iran and missiles to the Middle East. Global security tensions rise, and the price of oil rises at the same time. Here in Canada, as in Mexico, that high oil price is a benefit. But there are also consequences. Most Islamic terrorist groups are funded by Middle East oil money and can launch more attacks. That security issue creates fear in the United States. Then Washington D.C. passes tough immigration bills and other security restrictions, affecting America's neighbours.

The Iraq debate has been reduced to black and white, which should be left for the chessboard. All we hear is "Do we stay?" or "Do we go?" But troop withdrawal should be considered only one small part of an overall strategy, and from what we can see, there is no overall strategy coming from the Bush administration so far.

Staying or going must be part of a greater policy, of, as Einstein said, a level of thinking greater than what led to the problem. It's not just troops. It's not just Iraq. They must decide in the context of action of restoring trans-Atlantic solidarity, standing up to Iran, dealing with Hamas, Saudi support of Wahabi extremism, Syria's funding of terrorism, and the list goes on.

This is not a generic political case study in strategy. These things have real-world consequences for all of us. Globalization means sharing in both profits and losses around the world. In chess we know that a subtle move on one side of the board can have a decisive effect on the other side of the board.

Russia is perhaps the leading example of this slide into the past. Let us examine what is happening behind Putin's 21st century Iron Curtain. When Putin spoke here in 2000, he made a very revealing comment. He said, "Today the co-operation of all of the branches of power in Russia is highly productive..." His next seven years in office continued that trend, leading to the current super-presidency with a puppet parliament and judiciary.

The regime established by Putin and his gang has revived many of the Soviet ways and means: control of the media, a puppet judiciary, stage-managed elections. The glimmer of democracy during the Yeltsin years, however messy, was being entirely extinguished. The epic corruption of those years has now been surpassed by a government in which the politicians, the oligarchs, and the crooks are one and the same. Aristotle himself couldn't find a better definition of "oligarchy" than what we have in the Kremlin today. Top Putin administration members chair some of the largest corporations in the country, such as Gazprom, Rosneft, and Transneft. You might even wonder if there's a Russian term for "conflict of interest." That business circles still push the conjecture, "Is Putin corrupt?" reminds me of how "Did Stalin know?" was for decades a serious question in leftist circles around the world.

I was told that several Canadian entrepreneurs declined to come here today for fear of harming their potential to do business in Russia. That's quite instructive. It illustrates who is in charge of the business environment in Russia, and how well they have succeeded in their intimidation campaign. Well, when you fight against Putin you quickly find out who your friends are! It's also a shame, because they would have been interested in the news I received yesterday. The Marriott-owned Renaissance Hotel in Moscow has refused to host the Other Russia conference scheduled for July 7-8. Last year the state security forces harassed our delegates and activists outside the hotel, arresting several of them on the spurious charges we are now used to. This year the Marriott Group has decided to reject our money and leave the space open during low season instead of resisting these Kremlin intimidation tactics.

Even the largest foreign companies and investors are not immune, as Shell found out when the Kremlin pushed them out of the Sakhalin 2 gas fields at the end of last year. If you want to invest in "KGB Incorporated," you must remember that they are very, very active shareholders. Also remember that with great profit comes great risk. It's not just corrupt—the corruption IS the system. It's like a bizarre combination of Adam Smith and Karl Marx. State profits are privatized while expenses are nationalized.

Some will tell you that Putin's assault on democracy is a big shift from the Boris Yeltsin days, but unfortunately it's a very logical progression. Yeltsin, while he established a few fragile democratic institutions, never uprooted the nomenclatura, the appointed bureaucrats who run the State. This corrupt patronage system proved immune to democratic reform. For a limited time this old system lived alongside new elections and basic democratic rights. But this unnatural situation couldn't last for long. Yeltsin's successor had to choose one or the other—the veiled power of the bureaucracy or the transparency of democracy. It was obvious which would be chosen by a man of Putin's KGB background.

During the dark days of the USSR, the world understood that people like Andrei Sakharov, Vladimir Bukovsky, and Natan Sharansky were heroes for their non-violent resistance. The modern Putin style of totalitarian oppression is different. It has many advocates in the West, most of them defending it by saying how much better things are now in the USSR. Last year I appeared on a panel discussion on BBC television, on a show recorded in Moscow. A British viewer wrote in amazement at how freely we said things that, he said, would have led to our execution not long ago. This perception—that Russians are better off now and shouldn't complain—has been very harmful to the democratic cause. Things are getting worse NOW, and that is what matters.

In 1991 we couldn't have imagined where we are today in Russia. The statue of secret police founder Felix Dzerzhinsky was removed from Lubyanka Square in August 1991 when the Communist rule collapsed. Dzerzhinsky's name is synonymous with the KGB and the mass murders of the Soviet regime. His statue in central Moscow was pulled down by a jubilant crowd. There are amazing photos of ordinary citizens taking photos of each other with their feet on Dzerzhinsky's bronze head. If you had suggested in 1991 that a KGB lieutenant-colonel would soon be the president we would have laughed in your face. And yet on November 8, 2005, a bust of Dzerzhinsky was put back up in a public courtyard in front of the KGB headquarters, against the protests of human rights activists. It is not as large or as prominently placed as the original, which makes it the perfect symbol of Putin's low-profile police state.

Putin has learned that if things are done in small steps, the West will say little and do nothing. This is the way it is being done, in steady increments. Last summer Putin signed a new law on extremism that gives the government total impunity to crush political dissent. Extremism is now whatever they say it is. He signed this law right before sitting down at the table with the leaders of the G-7, and they accepted him without question.

In April I spent four hours in a KGB interrogation room thanks to this law, although now they call it the FSB. I am being investigated for possible extremism because of a radio interview in which I called on people to attend a peaceful march. There were two portraits at the FSB offices where I was questioned of Vladimir Putin and Felix Dzerzhinsky. After our April 14th March of Dissent this year in Moscow, parliament quickly updated the extremism law. Any statement critical of a government official, as determined by a prosecutor, not even a court, can lead to criminal charges and up to 15 years in prison. It is classic Orwellian language. Opposition equals extremism. We have not yet arrived in the dark ages, but the next station on this train is Minsk and our speed is increasing. They call Belarus's Lukashenko the last dictator of Europe, but the current application of Russian law is creating a similar atmosphere.

Even in the capital cities they have responded to our peaceful marches with violence and an overwhelming security presence designed to intimidate anyone thinking of voicing opposition. In the words of Blaise Pascal, who was born on this very day, June 19, in 1623, "Not being able to fortify justice, they have justified force." And since we are in Canada, saying this quote in its original tongue is mandatory! Ne pouvant fortifier la justice, on a justifié la force.

And yet I constantly hear about Vladimir Putin's popularity in the western media. To understand this you first have to stop making comparisons about opinion polls between Russia and other countries. In a country with no free media, polls cannot be reliable. The current propaganda war is much more sophisticated than that of the old Soviet days. Instead of one state news source we get the illusion of choice, the illusion of freedom. But every television station and every major media outlet is under the direct control of the Kremlin or Putin's closest cronies. If the White House had total media control and a pervasive security force, I'm sure Bush and Cheney would also enjoy 70-per-cent approval ratings!

In Putin's Russia, journalists and dissenters are fired, intimidated, harassed, and sometimes much worse. The names of Anna Politkovskaya and Alexander Litvinenko are now well known around the world. Two of Putin's harshest critics, viciously murdered just weeks apart. For some reason it is always the journalists disliked by the authorities who die in Russia. Over a dozen have been assassinated since the start of 2006. There is little to be gained from speculating about who exactly ordered these murders. The system that encouraged the crimes, the logic that made them politically expedient for some of those in power, is the true face of Mr. Putin's Russia. I do not know the names of the people who killed Politkovskaya and Litvinenko. But I do know the address of those who gave the orders. In a country where one man and his gang have total control, where can they be but in the Kremlin?

When you ask questions about the economy, crime, health care, or how Russians feel about the future of the country, you get a very different picture. This also illustrates the fallacy of using macro-economic metrics like GDP to evaluate the health of a nation. Only a small minority of Russians are enjoying the benefits of the energy boom while the rest watch their standard of living decline. Yesterday I saw on the CBC that for the second year in a row, Moscow was named the most expensive city in the world for foreigners. (Toronto is 82nd.) The other cities in the top five are London, Seoul, Tokyo, and Hong Kong. All cities from nations with two or three times the Russian per-capita GDP, which is wildly inflated by the high energy prices. Such inequality inevitably leads to ruin.

Russia today is a police state masquerading as a democracy, a mask worn for the international community. Putin needs the help of the free world to maintain this illusion. In Putin's Russia today, we have no civil society, no human rights, no rule of law. And yet two weeks ago the leaders of the free world sat down in Germany and treated Vladimir Putin as an equal. That's what they have been doing for the past seven years, causing great damage to the cause of real Russian democracy. The state-controlled media is quick to ask, "If Putin is accepted among the G7, why is the opposition criticizing his democratic record?"

We do not ask for help. We ask that the leaders of the free world stop providing Putin with democratic credentials. We ask for an end to the hypocrisy and for the rebirth of real leadership. Do not tell us that democracy is worth fighting for only in Iraq or Afghanistan.

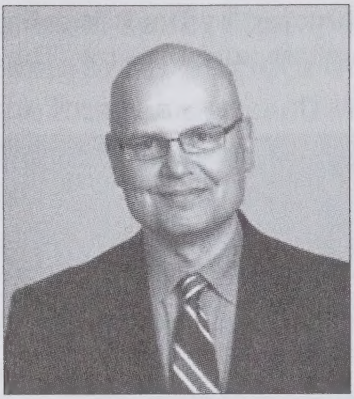
The fight we have ahead of us is not an easy one. In the spirit of Reagan and Thatcher, we are sending out a moral challenge to Putin and to the world. We say that human life is worth fighting for. Democracy is worth fighting for. We say these rights are just as important to defend in Russia as anywhere else in the world.

The instruments the western world has relied on for decades are useless in these new battles. Twenty years age, on June 12, 1987, Ronald Reagan said his immortal, "Mr. Gorbachev, tear down this wall," in Berlin. We must demand new institutions and new strategies to protect our lives and our liberties. This cannot be done by rebuilding higher walls and raising barriers. What must be higher are our moral standards. What must be raised are our voices. Thank you.

The appreciation of the meeting was expressed by Doug Morris, President, Humidity Solutions and Morris Glass, and Director, The Empire Club of Canada.

James Small, Vice-President, Government Affairs, Dundee Precious Metals Inc., Garry Kasparov, Greatest Chessplayer of All Time, and Chairman, United Civil Front of Russia, Gareth S. Seltzer, CEO, TWS Private Management Inc., and Past President, The Empire Club of Canada, Daria Kasparov, Spouse of Garry Kasparov, and Alicia Beizberg, Co-Founder and Executive Vice-President, Beizberg Technologies Inc.

Dr. John S. Niles, MSM, President, The Empire Club of Canada, and Senior Minister, St. Andrew's United Church, Markham, and Garry Kasparov, Greatest Chessplayer of All Time, and Chairman, United Civil Front of Russia.



June 21, 2007

A Joint Meeting of The Empire Club of Canada and The Royal Commonwealth Society, Toronto Branch

Rocco Rossi

CEO, Heart and Stroke Foundation of Ontario

A CANADIAN DREAM

Chairman: **Dr. John S. Niles**
President, The Empire Club of Canada

Head Table Guests

Edward Badovinac, KH, CET, OLJ, MMLJ, Director, The Empire Club of Canada, and Past Senior Vice-Chairman, Royal Commonwealth Society of Canada, Toronto Branch; Rev. Canon Philip Bristow, Incumbent, St. Philips-On-the-Hill Anglican Church, Unionville; Noreen Clement, Dominion Vice-Chairman, Royal Commonwealth Society of Canada and Past Chairman, Royal Commonwealth Society of Canada, Toronto Branch; Dr. H. Ian Macdonald, OC, KLJ, B.Com, MA, BPhil, LLD, President Emeritus, York University, Past President, The Empire Club of Canada, and Board Member, Royal Commonwealth Society of Canada, Toronto Branch; Catherine S. Swift, President and CEO, Canadian Federation of Independent Business, and President-Elect, The Empire Club of Canada; Roberto Martella, Owner and Operator, Grano Restaurant; Arthur Downes, Vice-Chairman, Royal Commonwealth Society of Canada, Toronto Branch; Gareth S. Seltzer, CEO, TWS Private Management Inc., and Past President, The Empire Club of Canada; Richard Rooney, CA, CFA, President, Burgundy Asset Management Ltd.; John Coyne, Vice-President, General Counsel, Unilever Canada; Peter K. Large, Chairman, Royal Commonwealth Society of Canada, Toronto

Branch, and Barrister and Solicitor; and Brigid Murphy, Senior Vice-President, The Dominion of Canada General Insurance Company.

Introduction by John Niles

Past Presidents, Rev. Sir, honoured guests, Directors, members and guests of the Empire Club of Canada:

There are two constants in the nonprofit world: change and the capacity to keep pace with it. These are fundamental issues facing the sector and its leadership today. As such, leaders in the non-profit world need to be inspired, self-motivated, positive, innovative and courageous. In this regard, Rocco Rossi has been an entrepreneur.

Not one to wait for others to make things happen, Rocco Rossi races ahead of the pack—literally.

As the CEO of the Heart and Stroke Foundation, he has been in the forefront of new initiatives that have raised not only funds but awareness of a deadly disease in unique and distinctive ways. A case in point was in July of 2005 when after completing a 480-km. kayak journey from Toronto to Ottawa he reached not only his destination, but his goal to raise $150,000 for the Heart and Stroke Foundation Centre for stroke recovery.

And in 2006, his kayak adventure called "Progress on Stroke" kicked off with a special announcement of a $5-million investment from the McGuinty government to the Heart and Stroke Foundation Centre for stroke recovery.

And then on the 20th anniversary of Ride for Heart which is the largest one-day cycling charity event in Canada. Rocco Rossi again took the lead and marked this milestone by cycling the length of Yonge Street, the longest street in the world, from Rainy River to Toronto, a distance of 1,900 km., over 19 days of his vacation time in May, and then capping off that ride by also participating in the Ride for Heart on June 3 in Toronto.

All of the proceeds he raised through that adventure went towards the Heart and Stroke Chase McEachern Tribute Fund, which aims to place automated external defibrillators in public spaces like hockey rinks and community recreation centres.

There is an old Jewish saying that states: "If you save a life you change the world." I tell you that saying because these very defibrillators that have already been placed in a number of facilities due to Rocco's great adventure have already saved four lives. He has changed the world.

Peter Drucker said, "Management is doing things right. Leadership is doing the right things."

He must have had Rocco Rossi in mind when he thought of that. For he has been doing the right things and doing them right.

Please welcome with me Rocco Rossi.

Rocco Rossi

Right in the middle of the word "life" is the word "if." And it is absolutely appropriate that "if" is at the heart of life because "if" is the word of dreams and potential. In the pantheon of two-letter words, "if" is a giant even when compared to "be" and "am" for while those two words express the necessary condition for life; namely, existence, it is only in asking and answering our "if" questions that we inject meaning into life. Only then do we add the sufficient to the necessary.

Sadly, as a society we work hard at narrowing and diminishing dreams. "He is a dreamer" is more often criticism than praise. It's like a crazy uncle you might be quite fond of, but hope he stays in his room when company comes calling.

And those who are actually praised for dreaming—someone like Martin Luther King and his "I have a dream" speech—are held up as almost mythical, super-human, worthy of reverence and acclaim but not repeatable. Praise him, but trying to follow his example is either hubris or madness.

I want to share my dreams and their evolution with you and I want to encourage you to tap into the power of your true dream. A Canada Day luncheon is the perfect time for this because while most people think of New Year's as the time for resolutions and new starts, for me, Canada Day is that time, for my dreams are shot through with Canada.

Like King, I have a dream, but, like all of us, I also am a dream. Or, rather, I am made up of many dreams starting with that of a young man, my Uncle Gaetano Rossi. He was the first of my relatives to come to Canada because he dreamed of building a better life for himself and his family. Truth be told, like many early immigrants, he assumed the dream would involve making money here in Canada and going back to Italy to live that dream. But Canada has a way of shaping and inspiring dreams and so his dream of a better life evolved into sponsoring his family and friends, and helping to build a better life here.

I contain, of course, large measures of my parents' dreams. And while they may never truly forgive me for not becoming a doctor or a lawyer, I explained to them that I couldn't stand the sight of blood, let alone suck it, and so was disqualified from both professions. Their fundamental belief that education is the key to a better life is something that burns in me always. That fire was in turn fueled further by a teacher, David Hampton, who saw potential in a young boy who wasn't ever actually a student in his class. Despite never being my formal teacher, David provided me with books and came in early or stayed late many days a week for several years to feed me with the dreams of writers, scientists, explorers, artists and politicians.

When I returned from university, I got caught up in the dream of building material wealth. I enjoyed business and quickly reaped the rewards of that dream as a successful executive. I thought I had it made. In August 2000, I was travelling in Belgium with my boss, friend and mentor, Don Kitchen. Don was the CEO of Labatt, he was on the fast track to becoming the CEO of our global parent, Interbrew, and was the very incarnation of and role model for my dream. We were in Belgium to present to our Board, the company was about to go public, and in so doing we were all going to make even more money. The presentation went extremely well and we all celebrated that night as only beer executives can.

That night, Don died of a massive heart attack in his sleep, aged 44, with two sons in school with my son. The first event in the gorgeous home, that he and his wife

Linda had spent so many months renovating, was the wake.

There were many victims of that tragic event, and no doubt the smallest and least consequential of them all was my very narrow, and now shattered, dream.

I left Interbrew and stumbled around for a while looking to pick up the pieces. I helped turn around a software company and made some more money, but found no peace or purpose. To compound my sense of uselessness, I wasn't providing much nourishment for my son's or wife's dreams either.

At my wit's end, I went for a walk. It's a very special walk. For over 1,000 years, pilgrims from around the world have walked to Santiago de Compostela in northwestern Spain along the fabled Camino de Santiago. I walked 900 km. over 30 days from the French border to the Atlantic, stopping at hostels, monasteries and church basements along the way and carrying all my possessions in a simple backpack. I met extraordinary people, but mostly I discovered the power of silence and being alone to explore my true nature. Like John Muir, "I only went out for a walk, and finally concluded to stay out till sundown, for going out, I found, was really going in."

There were many sublime moments, but the most beautiful was saved for the last. At the end of the trail, pilgrims have long burned their pilgrimage clothes and thrown away their walking sticks to symbolize their rebirth as a new person.

I burned a set of clothes, but couldn't bring myself to throw away my wooden walking stick. I wanted to bring it back as a present for my father who loves to carve. Having refused to throw away the stick, I found myself walking to the resort town of Louro where I hoped to lie on a beach for a few days to recover.

About five kilometres outside Louro I passed a young boy of no more than 10 or 12 banging the road with a garden hoe. As I passed him, I called out "buenas dias" and asked him how he was. He stopped, looked up at me, dropped the hoe, grabbed hold of my stick with both hands and tried to pull it away.

Instinctively, I pulled back and actually lifted him off the ground! He grunted, but never verbalized, and it became clear that he was mentally challenged in some way, but his grip on the stick remained firm. I started to pry his fingers off the stick and was able to remove one hand this way, but when I turned to begin on the other hand, it suddenly occurred to me, "What in God's name was I doing? Was I so far gone that I would harm a mentally challenged boy for a stick?"

I put his hands back on the stick and said, "regalo para ti"—present for you. He looked at me with a face awash in confusion and then looked at the stick. Looked at me and then looked at the stick. I realized, of course, that we had just been struggling and I was still hulking over him so I repeated "regalo para ti" and then took a step or two back. He watched my backward steps intently and then lifted his head revealing the most beautiful smile I had ever seen in my life. The sight broke me and I collapsed by the side of the road crying like a baby. I had walked almost 900 km. but couldn't bring myself to walk the final 5 km. into Louro. The boy and the stick had broken me and then remade me. The joy I felt in giving away this simple thing that made someone else happy was enormous.

Don't misunderstand me. I'm not advocating that you take a vow of poverty and give away all you have. I am a firm believer that the market economy is a powerful and important instrument for creating wealth and innovation and advancement, but in itself it is not a big enough dream.

The search for a big enough dream ultimately brought me to the Heart and Stroke Foundation of Ontario where I can combine what I learned in the business world with my dreams and the dreams of others.

People, by their very nature, want to dream and to be part of a larger dream.

One of the vehicles I have used to continue to feed my own dreams and hopefully inspire the dreams of others is to convert “pilgrimages” into fundraisers. Last year I kayaked 480 km. from Toronto to Ottawa and this year I cycled the 1,900-km. length of Yonge St/Hwy 11 from Rainy River to Toronto. They were meant to be audacious adventures that contained a “wow factor.” These adventures were meant to touch and inspire people’s dreams of what is possible when we put our hearts into something.

This year’s adventure was inspired by a young boy’s dream. Chase McEachern was in many ways a typical 11-year-old Canadian boy who loved his community, his family and hockey, and not necessarily in that order. But he suffered from an irregular heart-beat that would eventually kill him just two weeks before his 12th birthday. Not before, however, he had begun a campaign to ensure that defibrillators become as common as fire extinguishers in this country.

Chase found it odd, as I do, that public buildings are required to have fire extinguishers to protect property in the case of fire, but are not yet required to have the devices that can save the people inside the property. This simply must change.

You see, almost 7,000 Ontarians suffer cardiac arrest outside hospital settings each and every year. Currently, the survival rate for those people is less than 5 per cent. Why? Because every minute after a patient goes into cardiac arrest with no treatment, her chances of survival decrease by 7 to 10 percent and the average time for ambulance response in this province is over eight minutes—too long despite heroic efforts by our paramedics and firemen and police. But if you administer CPR and there is a defibrillator on site to shock the patient in the first few minutes, you can increase the chances of survival to 50 per cent or more. With widespread defibrillation, we could save 3,500 friends, neighbours, family members each and every year instead of fewer than 350.

Chase's dream has become my dream and part of the dream of the Heart and Stroke Foundation of Ontario, and has inspired people like Richard Rooney, and George Cooke of Dominion of Canada Insurance, and David Blanchard and John Coyne of Unilever, and the teams at Scotiabank and Transamerica Life, and the provincial government of Dalton McGuinty to step up in a major way. The last provincial budget contained the largest, single investment into defibrillators in Canadian history and it will save lives for years to come.

The highlight of my ride down Yonge Street had to be my meeting with Michel Langevin in North Bay. Michel is a 40-something father of two, who on the evening of April 13 was doing what he has done for so many evenings since he was five; namely, playing hockey with friends in Sturgeon Falls. Only this night he collapsed on the ice from cardiac arrest. Thankfully, there was a defibrillator on site and people trained in CPR and Michel was saved; his children still have a father and his wife still has a husband. That defibrillator and that training were part of the very first investment we made through the Heart and Stroke Chase McEachern Tribute Fund only a few months before. Michel Langevin's friends call him "the miracle man," but he wasn't saved by a miracle. He was saved by the power of a small boy's dream.

Each of my pilgrimages has been driven by my dreams and, in turn, has fed them. Each has served to reinforce five important lessons: the journey is every bit as important a dream as the destination; the journey of 480 or 900 or 1,900 km. begins with a single stroke or step or pedal and so we shouldn't fear audacious dreams because we can accomplish amazing things a step at a time; we carry a lot of material and emotional baggage that diminishes and narrows our dreams and we must let it go; being alone is not the same as being lonely; and, finally, we should never underestimate the generosity of others nor the pleasure to be derived from helping others.

Right in the middle of the word "life" is the word "if." And it is absolutely appropriate that "if" is at the heart of life because "if" is the word of dreams and potential. But when the word "if" is left at the end of life, it becomes the word of nightmare and regret—"if only..." May you ask and answer all of your "if" questions during your life and discover your true dream.

The appreciation of the meeting was expressed by Peter K. Large, Chairman, Royal Commonwealth Society of Canada, Toronto Branch, and Barrister and Solicitor.

Rocco Rossi, CEO, Heart and Stroke Foundation of Ontario, Dr. H. Ian Macdonald, OC, KLJ, BCom, BPhil, LLD, President Emeritus, York University, Past President, The Empire Club of Canada, and Council Member, Royal Commonwealth Society of Canada, Toronto Branch, Rev. Canon Philip Bristow, Incumbent, St. Philips On-the-Hill Anglican Church, Unionville, and Robin V. Sears, Principal, Navigator, and Director, The Empire Club of Canada.

In Memoriam
Leland (Lee) H. Ausman

Passed away in Ottawa on April 5, 2007

Lee Ausman was born in Toronto in 1907 and earned a Baccalaureate of Commerce from the University of Toronto in 1929. He joined the Department of Trade and Commerce in 1934. His postings overseas as Trade Commissioner covered Bristol (which he closed in 1941), New York, Leopoldville (which he opened in 1946 and where he entrenched Canada's first official contact with much of Central Africa), Frankfurt and Brussels. He then served, from 1965 to 1969, as Minister (Commercial) in London and, from 1969 to 1970, as Consul General in Chicago. He managed the Department's Regional Office in Toronto from 1970 up till his departure in 1972 and then became fully retired. He in the subsequent period worked part-time at the Canadian National Exhibition as a consultant.

At the same time as his career, he was awarded the Brussels Worlds Fair Medal, the Freedom of the City of London, and the Canadian Centennial Medal. He was a Life, Honorary Member and Archivist of the Empire Club of Canada and Member of the Royal Commonwealth Society of Canada, Toronto Branch.

I knew Leland from the early nineties during his time as Honorary Director of the Empire Club of Canada. He had been Secretary then Archivist before becoming an Honorary Director. Leland and I had lunch at the club on many occasions together. He had a great deal of respect for the Empire Club and spoke often about his wonderful experiences and how he had met many extraordinary professional people during his time as a member, member of the Board and Honorary Director. He also felt that many of the young people in business could have the same experiences as he had had in being a member of the Empire Club. He had a great deal of respect for people like myself who made every attempt, during my teaching schedule, to see and hear interesting people of every walk of life.

At the end of his career he served as a volunteer with the North York General Hospital and the Royal Ontario Museum, which he and I had in common since my wife and I are life members. Jocelyn and I saw Leland and his wife at the R.O.M. on several occasions. He and Peggie, whom he met and married on his first posting in Bristol, moved from Toronto to Ottawa in 1996 to be closer to their son's family.

Edward Badovinac, CET, KH, OLJ, MMLJ,
Director, The Empire Club of Canada,
and Chairman,
The Empire Club of Canada Yearbook

ANNUAL GENERAL MEETING
President's Report

June 21, 2007

Chairman
Dr. John S. Niles, MSM, President

Dr. John S. Niles

Honorary Officers and Directors, Past Presidents, Officers and Directors, members and guests of the Empire Club of Canada:

Notice has been given that our Annual Meeting of Members is to be held on this date and at this place and Edward Badovinac, Director, will act as secretary for the meeting.

Thank you for attending our Annual Meeting of Members.

In accordance with Article VI, Sub-section 2, of the Empire Club's Constitution, I am required to report on this year's activities—the obligatory reporting of facts, status and achievements of the Empire Club's 2006–07 speaker season, its 104th year.

And I would like to thank the many of you who helped make this past year a most memorable one for our club, for our members and guests, our speakers, and certainly for me.

Speakers

As is customary, our speakers this year spoke on a wide variety of topics and were drawn from a diversity of backgrounds and disciplines. They ranged from politicians (three presidents and one Russian opposition leader running for president), three ambassadors, one former senator, one premier, two prominent religious leaders, one lord, but not the one I commonly speak to, the Chief Justice of the Supreme Court, a brigadier-general and UN multi-national commander, the Canadian Liberal leadership, one finance minister, a number of businesses, aboriginal and cultural leaders.

The Empire Club had two significant firsts this year—our first Christmas luncheon involving honouring our Canadian military service in Afghanistan with multimedia from Afghanistan, and our first Empire Club and Toronto Star speech contest.

Meetings and Attendance

We had 37 luncheon meetings of the Empire Club during our 2006–07 year, including four meetings with the Canadian Club. 7,800 people attended these events, an average of 211 people per event.

Sponsorships

All of our regular events had a head table sponsor which together with student table and head table reception sponsors generated sponsorship revenues of $150,000.00.

I would like to thank Past President George Cooke and the Dominion of Canada General Insurance Company, who have been so helpful in the past, for once again sponsoring a number of our luncheons this year, particularly ones with speakers who didn't have a sponsor constituency.

Membership

Our membership as at June 1, 2007 was 1,054. We have hovered around the 1,000–1,100 level for some time, so we are replacing members as we lose them, but we're not making any inroads in attracting new members.

Head Table and Attendance

I thank the Directors and Past Presidents who took on luncheon assignments this year; it is a time-consuming duty but so important to the smooth functioning of our club. It is a sign of the interest and personal networks of our Directors and Past Presidents that head table attendees were appropriate to the particular speaker and our luncheons were well attended. Once a Director was assigned to a luncheon, there was little need for follow up by the Executive.

Public Relations Committee

This committee, consisting of Diana Conconi (Chair), Bart Mindszenthy, Catherine Swift, Lisa Baiton, Stephen Hewitt, Robin Sears and Stanley Hartt met on a number of occasions during the past year and is involved in several ongoing initiatives including freshening the club's publicizing our events in the print and electronic media.

Head Table Reception and Luncheons

I must thank Jocelyn Badovinac for serving as our historian archivist and compiling copies of the many media reports of our lunches this season, and for her help in the head table reception room. Thanks also to Ed Badovinac who, as editor of our Red Book, had the task of tracking speakers' texts at our luncheons and also assisted with head table reception.

Our head table lineup and entrance to our weekly luncheons always went off with military precision, thanks to Sandy Cameron.

And of course, no words can describe the electric effect of Barry St. Denis's singing of our national anthem at our luncheons.

Luncheon Reception

The amazing Bill Duncan was missed this year at our luncheons greeting people at the door, but thanks to Kamal Hassan and David Goodwin for taking over and being so very involved.

Relationships with the Canadian Club of Toronto and Others

I met with the Canadian Club President Noella Milne, and our respective club administrators at the beginning of my term to determine areas of interest for each club respecting speaker invitations for the 2006–07 season. In large part, the ground rules we established worked and I urge my successors to continue this practice. The fact that Noella and I have known each other through her work as Chair of the Children's Aid Foundation and my work with Children's Aid has gone a long way to help smooth the usual day-to-day annoyances that have occurred between our two clubs at times.

The Economic Club bears watching as they had an active program. While their events are presently based on a smaller attendance with no television coverage, there have been a few prominent speakers who speak to the challenge that they may present in the future as they are becoming a real competitor. My thanks to the Speakers Committee that I set up this year for the purpose of giving direction to the year and ideas for speakers. I want to thank everyone who was so very involved running down contacts and searching out speakers.

Finances

We had another profitable year for sponsorships. Sponsorship revenues help offset the spiraling costs of running our club and its many contemplated new initiatives. Sponsorships continue to be our major source of revenue.

In Memoriam

Regretfully, Leland H. Ausman, Honorary Director of the Empire Club, passed away this past season.

Appreciation

We all owe our Club Administrator Debbie Testa and Anne Lato a vote of thanks for their efforts. Only when you become President do you realize how important the office is and the logistics involved in hosting a luncheon. Also, how unprogrammed the nature of the beast is with last-minute surprises and emergencies.

Thanks to Laura Boston who left us mid-year and to Chris Broniek of Rogers Television and their crew who reacted with good humour and technical support at the podium. And of course thank you to the Royal York Hotel staff who sure know how to keep us to our 1 p.m. TV deadline. It is always a challenge when we go to another venue and they are still serving the main course at 1 p.m.

And to my Executive and especially to Catherine Swift for organizing the head table coordinators. Many thanks also to the many Past Presidents who have given me support and advice.

Last but not least, my thanks to those many Directors who assisted me this year.

The Final Word

When the French statesman Abbe Emmanuel Joseph Sieyes was asked what he had done during the French Revolution, he replied "I survived." No doubt most Presidents of the Empire Club at the end of their year and certainly this one can ascribe to this sentiment.

For me personally, it was a most interesting, rewarding, surprising, humbling, and demanding year. It was 10 years ago that I first joined the Empire Club for a luncheon. It happened that the clergy who was to say grace that day wasn't able to make it and Rev. Kim Beard called urgently requesting that I come—which I happily did; a free lunch is for any clergyman a dream. We were serving neighbouring churches at the time.

I don't remember the speaker but I do remember it was Gareth's year as President. His leadership inspired my desire to continue in the club, or was his adept riding of the Harley? Though I don't remember the speaker, I do remember that Bart Mindszenthy was the Director who sat beside me that day. We struck up, not only a conversation but a friendship that has lasted—and it was three years later during Catherine Steele's year that I became a Director after receiving the honour of the first Empire Club of Canada Community Service Award.

Bart commented to me before I began my year as President, "Nothing really prepares you for the job, and nothing is ever static or very easy. But there is nothing else like it." He was right on all counts.

In a few minutes, I join the ranks of 104 Past Presidents of the Empire Club. I look forward to continuing to participate in club activities as an active and involved Past President.

I thank the Empire Club of Canada for the opportunity to serve as its 104th President. And finally, all the best to my successor, Catherine Swift. I will be praying for you. You will need it.

Respectfully submitted,
John S. Niles
President

Report of the Nominating Committee

June 21, 2007

William Whittaker

Mr. President, fellow Past Presidents and Directors, members of the Empire Club of Canada, it is my pleasure to chair the Nominating Committee constituted in accordance with Article V of the Club's Constitution and to report its recommendations to this meeting respecting the Club's 2007–2008 year.

The Nominating Committee

The Empire Club's Constitution requires that the Nomination Committee consist of at least five Directors and two members of the Empire Club. At the May 15, 2007 Board meeting, the following names were proposed and received unanimous support as Committee members:

William Whittaker—Chair
John Niles
Bart Mindszenthy
John Koopman
Ann Curran
Catherine Swift
Jo-Ann McArthur
Don McCutchan
Stephen Hewitt
Tonie Chaltas
David Goodwin

Honorary Officers

It is the recommendation of the Committee that the following continue to serve as Honorary Officers for the 2007–2008 year:

Honorary Chairman
The Hon. Henry N. R. Jackman, OC, KStJ, OOnt, CD, LLB, LLD

Honorary President
Her Excellency, The Rt. Hon. Michaëlle Jean, CC, CMM, CD, Governor-General of Canada

Honorary Vice-President
The Hon. James K. Bartleman, OOnt
Lieutenant-Governor of Ontario

Honorary Chaplain
The Rt. Rev. Colin J. Johnson

Honorary Secretary
The Hon. David Crombie

Honorary Treasurer
Hartland M. MacDougall, CVO, OC

Honorary Solicitor
The Hon. William G. Davis, PC, CC, QC

Honorary Directors

It is the recommendation of the Committee that the following continue to serve as Honorary Directors for the 2007–2008 year: Jocelyn Badovinac, UE, DH, OLJ, MMLJ, MEd., Willis Blair, Mary. R. Byers, The Hon. Barnett J. Danson, PC, OC, Major William A. Duncan, CD, A. Carlyle Dunbar, William J. McCormack, OStJ, Larry Stout, and J. A. William Whiteacre, MM, CD, QC.

Directors

According to the Club's Constitution "the Board shall consist of forty members, including at least four Past Presidents of the Empire Club of Canada, one of whom shall be the immediate Past President and the other three shall be the Past Presidents immediately preceding the immediate Past President, if willing to serve."

Therefore, in recognition of this constitutional requirement, the Committee nominates the following Past Presidents as Directors of the Club for the 2007–2008 year, all of whom have agreed to serve:

the immediate Past President, John Niles, and Past Presidents William Whittaker, Bart Mindszenthy, and John Koopman.

Furthermore, the Nominating Committee recommends that the following members of the Board of Directors continue to serve in the coming year:

Edward P. Badovinac
Lisa Baiton
The Rev. Kim Beard
Roxanna Benoit
Madame Justice Mary Lou Benotto
L.Col. A.G. (Sandy) Cameron
Charles Coffey
Diana Conconi
Verity Craig
Heather C. Devine
Heather Ferguson
Anne Fotheringham
Richard Goodall, CA
Stanley Hartt
Kamal Hassan
Stephen Hewitt
Duncan N. R. Jackman
David L. Lindsay
Jo-Ann McArthur
Don McCutchan
Sylvia Morawetz
Doug Morris
Lou Natale
Kevyn Nightingale
Tim Reid
Rocco Rossi
Margaret M. Samuel
Robin V. Sears
Ken Shaw
C. Alexander Squires
Catherine Swift
Effie Triantifiloupoulos
William F. (Bill) White

Resignation

I take this opportunity to thank Pat Mills for his contributions to the Empire Club of Canada.

New Director

The Nominating Committee is pleased to nominate the following member to the Board of Directors:

David Goodwin

Officers

From the above-mentioned nominees, the Committee recommends the election of the following as Club officers:

1st Vice-President and President-Elect
Jo-Ann McArthur

2nd Vice-President
Lisa Baiton

3rd Vice-President
Don McCutchan

Treasurer
Richard Goodall, CA

Alex Squires will continue as the Club's Secretary and Kevyn Nightingale, our Treasurer for the past nine years, has agreed to continue as a Director. We thank Kevin for his services as Treasurer.

Finally, your Committee is pleased to nominate Catherine Swift as President of the Empire Club of Canada for the 2007–2008 year.

Respectively submitted,

William Whittaker, QC
Chair, 2007–2008 Nominating Committee

William Whittaker moved that the report of the Nominating Committee be accepted and approved by members in attendance at the meeting. Ed Badovinac seconded the motion.

There being no further nominations, Bill Duncan moved that nominations be closed. Sandy Cameron seconded the motion.

The Acting Secretary, Ed Badovinac, then cast a single ballot in favour of those persons named in the report of the Nominating Committee in accordance with Article III-3 of the Constitution of the Club.

THE EMPIRE CLUB OF CANADA
Membership 2006–2007

Life Members

William Allan
Mr. & Mrs. Leland H. Ausman

Mr. & Mrs. Edward Badovinac
Joseph Batty
Willis L. Blair
R. L. Broad

Mrs. Charles Carter
George L. Cooke
Mr. & Mrs. Elgin E. Coutts
Nola Susan Crewe
Mrs. Matthew Currie

George C. Damiani
Douglas A.C. Davis
Elvio DelZotto
Mr. & Mrs. D. L. Derry
Robert G. Douglas

Dr. David J. Fieldhouse
A. E. Fitzpatrick
Col. C. Sidney Frost Jr.

George Raymond Gibson
Patricia A. Grand
Wayne Scarisbrick Gray

George S. Hanson
Paul T. Hellyer
Roland E. Henderson
Adam B. T. Hermant
Peter Hermant
John D. Herrick
Dorothy Hobbs

Arthur Inwood

Dr. & Mrs. Eric Jackman
The Hon Henry N. R. Jackman
Willy Jong
Friederich Jung

John Kemp

George R. Laidlaw
Anne Lato
Eric N. Lehner
James Lewis
Mr. & Mrs. D. D. Lucas
Joseph Luciano

Nona Macdonald Heaslip
Colin MacKenzie
John & Gail MacNaughton
Ewald P. Mazurek
Fred G. McBrien
John S. G. McCrimmon
James W. McCutcheon
Konrad R. W. Mech
Mr. & Mrs. Edwin Mirvish
D. V. Mosher

John F. Nagel
Chris Nickerson

Maj. R. B. Oglesby

Dr. Sheila Pollock
B.Gen. D. A. Pryer

Stevan Ralph
Grant L. Reuber
John E. Richardson
Rev. Canon & Mrs. H. F. Roberts
The Hon. Col. R.C. Rutherford

J. A. Seyfried
Mrs. H. R. Shaver
Sam Sniderman
Dr. & Mrs. R. F. Stackhouse
G. O. Stafford
Henry J. Stalder

Graham John Tappin
Leonard I. Turkevics
R. Turnbull
L.Col. P.J. Tuz

Andrew Stephen Zarnett

Senior Members

D. S. Affleck
H. H. Alexander
R. F. K. Anthony

Bluma Appel
G. Warren Armstrong
Marvin S. Arnold
Douglas B. Astley

Bill Bahen
Sonja Bata
K. J. Beamish
Josephine Beard
Ruth Beaucage
Avie Bennett
Dr. Henry Berry
Eileen Best
Peter J. Bloemen
William B. Bot
Roel C. Buck
Alexander Budrevics
Lorraine Burbage
Faye Arundell Burdick
Libby Burnham
Mary R. Byers

L.Col. A. G. Sandy Cameron
B.Gen. Peter Cameron
E. J. Chard
John H. C. Clarry
James H. Claydon
Katherine Cleaver
J. M. Coker
Dr. David Common
H.Col. William J. Coyle
Rita Culnan
Dr. Kalman N. Czegledy

Thomas P. D'Aquino
R. G. Dale
The Hon. Barnett Danson
S Darveshali
Mihajlo & Mara Dika
Frank Duffy
A. Carlyle Dunbar

Stuart E. Eagles

Esther Farlingter
Rev. A. Fedrigucci
Peter B. G. Ferguson
George Fierheller
Robert J. Fleming
Lloyd S. D. Fogler
Don Forsey
Carl Fox

Murray G. Galloway

Fred Gaskin
Lionel J. Goffart
Dr. M. E. Graham

Paul Haberl-Schicker
Ann Hamilton
C. L. Haney
T. M. Hannan
Ruth Hart-Stephens
Paul Hayes
Ildiko Hencz
Keith C. Hendrick
Marion Heslewood
Donald E. Hewson
Tom Hockin
Ying Hope
Jay W. Huckle
Col P. W. Hunter
Julien Hutchinson

John W. Irwin

Aileen Jackson
Bernice Jackson
Thomas G. Jamieson
Shirley Jesel Mills
Donald K. Johnson

Frances Kandarian
Taimi Kapsi Cushing
Carrie Kaye
Clayton Keefe
Norman Keyes
Barry Khojajian
Harry Kim
C. Wallis (Wally) King
Barbara Kingstone
Marie Knaul
L.Col. Gerhard A. W. Knopf
Ted W. Kulp

Peter Large
Andrew Lawson
Bernie Leaman
Laura Legge
David L. Lester
J. P. Liddle
Mary Liitoja
Arlette Londes
Margit Lovrics

Dr. H. Ian Macdonald
Glory M. MacIntyre
Robert K. Mackenzie

Rev. Arthur Macrae
Dr. Irene C. W. S. Mahoney
Robert Malone
G. Chester McClure
Joyce McKeough
Marjorie McLetchie
Sydney R. McMorran
Eileen R. McNeil
R. C. Meech
Dr. Daniel M. Mehta
J. Alexander Menzies
P. W. Musselman

Douglas C. Nesbit
Peter C. Newman
Edwin T. Nobbs
Margaret Nosworthy
Joe Nusca

Krystyna J. Orlowski
Col. Edmunds Ozols

E. T. Pherrill
David W. Pretty

Darcy Rector
Walter Roberts
Ronald N. Robertson
S. L. Robins

Marie Scanlan
Paul H. Scrivener
Bill Sears
R. Dorene Seltzer
John Sibbald
Oscar T. Sigsworth
Oskar Sigvaldason
Doreen Sloggett
M. E. E. Smith
John S. Smith
Catherine M. L. Smith
Gerald M. Soloway
Shael S. Sone
Dr. Jerzy Sosnowski
Donald Steadman
Bette M. Stephenson
Sinclair M. Stevens
John D. Stevenson
Robert V. Stinson
Gunter Strangemann
Thomas John Succamore
Gordon W. Swayze
John H. Switzer
Thomas H. B. Symons

The Hon. M. M. van Camp
Marianne Varkony
Shirley Velletta
Thelma Vessey
W. Roy Vincent

David J. Walker
William D. Wemp
Richard L. Whittington
Charles Russell Whittington
Marie Wilson-Sanders
Marina Winters
James Wood

Ernst Younes

Michael Zygocki

Regular Members

Stephen Adler
Angela Albini
Roderick Albrecht
J. Scott Allinson
Hassan Altaf
Peter Altimas
Anuj Anand
Ellen Anderson
Ernest Anderson
Dr. Antoine Aoua
Nicholas Armour
Anthony H. Arrell
Toni Ashton
Lisa Azzuolo

Lisa A Baiton
Nadjair A. Balkowski
John F. Bankes
Garnet R. Barber
Nick Barisheff
Sam Barone
Rev. Canon Kimberley J. Beard
Ghislain Beaudin
Jocelyn Beaudoin
Pierre Beaumier
Warren Bell
Aziz M. Bhaloo
Sardool Bhogal
Capt. S. W. (Sam) Billich
Mark Binns
Connie Bonello
Daniel Bonin
Clara Bor

Dr. Ron Bordessa
Peter N. Borst
Laura Boston
John Bourque
David N. Bowden
Richard Boxer
Lydia M. Boyko
Marcus Breitschwerdt
Robert L. Brooks
Sandra Broudy
Hugh M. Brown
Robert Bryce
Andrew Buntain
Edward Burrow
Anna Lankford Burwash
Jeannie Butler
Brad Butt
Sven Byl

Helena Cain
Thomas S. Caldwell
Terry Campbell
John A. Campion
Richard Cantin
John Capobianco
David Cardin
Jose Luis Ceballos
Tonie Chaltas
David Chambers
Catherine R. Charlton
Bill Charnetski
Gary Chateram
Patty Chilton
Roberta Chow
Oslen Christian
Louise Clare
Dawn Clark
Peter J. Clarke
Michael Coates
Charles S. Coffey
Gary Collins
Tony Comper
Diana Conconi
Gerry Connelly
Shawn Scott Cooper
Barbra Cooper
Bob Copeland
Robert Corteau
Joan M. Costa
Alec Couckuyt
Verity Craig
J. S. Crichton
Ann Curran

Barry Cybuchowski

Timothy Daciuk
Tom Dalinda
Robert M. Davies
Donald L. Davis
Paul Davis
Douglas A. R. Davis
Gerd DeBeer
Michael Decter
Michael B. Deeb
Michael Dell
Heather Devine
Rueben Devlin
Stephen Dibert
His Worship Mayor Diianni
Fred Dilkes
Charles Dillingham
Brian Dominique
John Franklin Domsy
John Dowd
Maj. M. A (Peggy) Downes
Marcus Doyle
Dragan Draganjac
Brad Dugard
Colleen Duke
Stephen Dulmage
Julia N. Dumanian
H. James Duncan

Alexander Edmison
Michael Ellis
John H. Emery
Daniela Liliana Cretu Enache
Jake Epp
Ernie Eves
John Ewing
Wade Eyre

Jean Faulds
Heather Ferguson
Andrew Findlater
Ruth Fothergill
Leo Fournier
Pamela Fralick
Hugh Franks
Landon French
Peter Friis
Susan Fulford

Catharine Gapp
Alejandro J. Garcia
Maria Gatzios

Ed Gibbs
Paul Gibson
Neil Gilbertson
Philip Goldsmith
Eric Goldstrand
Richard Goodall
David Goodwin
Frederick W. Gorbet
David J. Grace
Michael Graham
Stan Griffin
Howard Gross
H. Donald Guthrie
Ryan Guthrie

Heather Haigh
James F. Hankinson
Lars Hansen
Nabil Harfoush
D. Harris
Michael Harrison
Brett Harrison
Stanley Hartt
Randolph (Randy) M. Harwood
H. Clifford Hatch Jr.
John Have
Duncan Hawthorne
Gabriel J. Hayos
William Hazelton
Lars Henrikkson
Stephen Hewitt
Rives Dalley Hewitt
Scott B. Hill
Nai Chi Ho
Doug R. Hogan
Tim Hourigan
Robin Howlings
John Hrycak
Angella Hughes
Susan Hunt
G. Alan Hutton

Anthony Iantorno
Jim Irving

Rev. Edward J. R. Jackman
Duncan N. R. Jackman
Don Jackson
Eric Jacob
Mazher Jaffery
Kent James
Roberta Jamieson
Helen Janca-Scott

Karlis Jansons
Peter Jobling
The Rt. Rev. Colin R. Johnson
Mark Johnston

Michael Kacaba
Marlene Kalchos
Raja Kanaga
Shamsh Kara
Mark Kassirer
Alik Kassner
Koichi Kawakami
Kacim Kellal
Phillip Khaiat
Marc Kielburger
Patrick Kielty
Indra Kiesners
Grace Kim
Malcolm Charles Searell King
June Knapp
Tom Koger
David Konkin
John Koopman
Michael Koscec
Stuart Koskie
Michael Krause
Stan Krol
Dr. George Krynski
Michael Krywenky
Arkadi Kuhlmann
Krystyna Kupfer
Cesar Kupfer Jarmain

Bill Laidlaw
Michael Landry
John Lang
Michael Langstaff
James Langstaff
Joe Lassaline
Lieut. (N) Douglas Layton
Michel Leduc
Rosalind Lehman
Bernard Lette
Sheldon Levy
Dave Lindsay
John Loosemore
Bob Lopinski
Garth Low
Tony Luk
Warren Lundy

Rebecca MacDonald
Karma MacGregor

Diana S. MacKay
Bruce MacKay
Murray MacKenzie
Catherine MacKenzie Nugent
Malcolm J. MacKillop
David MacKinnon
L.Col. Peter MacLaurin
Anne MacPhee
Heather MacTaggart
Kevin V. Madigan
Ronald C. Maiorano
Annie Malhotra
Larry Maloney
George John Malyk
Raj Manucha
Frank J. C. Marchese
Sevan Mardirossian
Harry Marmer
Joseph Marquez
Michael Martin
Tel Matrundola
Neil C. Mattson
Frank Maw
Christopher May
Tasha Mazza-Kelton
Jo-Ann McArthur
Susan McArthur
Dr. Kevin McCormick
Gary W. McCracken
The Hon. Barbara McDougall
Bruce McDougall
David J. McFadden
Ross D. McGregor
William P. McGuigan
Don McGuire
Gordon K. McIvor
Constance McKnight
Michael J. McLaughlin
Roger McMillan
Andrew G. McMurtry
Greg McNab
Ian D.C. McPhail
Jim McPherson
John McVey
John C. Medcof
Lee Meister
Gerard M. Mercer
Anwar (Andy) Merchant
Frank Meuleman
Jim Mikell
David Milliken
Dave Milton
R. Peter Misener
Geoff Mitchinson
Gary P. Mooney
David Moore
Sylvia A. Morawetz
Geoff Morphy
Douglas Morris
Darcy Morris
Andre Morriseau
Dr. Jean A. Moss
Greg Mozesson
Bill Munson
Karen Murton

Gary A. Nacht
Joan Nakata
Dawn M.Nevills
Heather Nicolson-Morrison
Kevyn Nightingale
Rev. Dr. John Niles
Leslie Noble
Michael J. Norris
Dr. Roy Norton

Janice O'Born
Robert O'Brien
Dan T. J. Oh
Derek Oland
Peter Olierook
Catherine O'May
Dale Orr
Jean Ouellet
Michel Oulimar
Loudon Owen

A. John Page
Michael Palangio
John Parsons
Allen Paul
Roland Paxton
Kerry Peacock
Margaret Pearcy
Gordon Peeling
Dave Penfold
Judy Pfeifer
Joan Pinder
Dirk Poolman
Stefan J. Preisenhammer
William F. Presnail
Raymond J. Protti
Jamie Purves

Francisco Quiroga

Dr. Victor Rabinovitch
Dr. Sophie Radziuk
Manfred Rainer
Zarar Rana
Michael Ras
David Raymont
His Excellency David Reddaway
Richard John Reeves
Doreen Reeves
Tim Reid
David Reilley
Rozanne E. Reszel
Heather Reuber
Jay Richardson
Margot Ritchie
Carol Roberts
Clive W. Robinson
Gary Rogers
Christopher J. Roper
Martin Rosenbaum
N. William Ross
Tim Rourke
Edward A. Rozee
Tony Russell
Mike Russill
Mary Ryan

Jeffery Sack
Dr. Jana Sajner
Margaret M. Samuel
Joseph L. Santos
Ron Sapsford
Richard C. Saunders
Ebrahim Sayed
Michael Schatz
Walter Schauer
Delmarie Scherloski
Karl Schmidt
Robert Scott
Graham W. S. Scott
Richard Seguin
Gareth S. Seltzer
Dr. Alexandre Sevigny
Badar R. Shamim
Kim Shannon
Vijay Sharma
Richard Shekter
Hilary Short
Nan Shuttleworth
Trevor Sinclair
Maj. Sonia Skil
Guy Skipworth
Terrance M. Slobodian
Ken Smith
Terry Smith
Joseph D. Sorbara
Safouh Soufi
Paul Sparkes
Stephanie Alyssa Spence
James W. Spence
Philip Spencer
Carl Spiess
Vincenzo Spogli
Barbrae Stalbecher-Pountney
Dr. Bill Steadman
Jeffrey Steiner
John Stephenson
Robert Stone
Timothy Storus
Mark Straub
Brad Surminsky
Brian R. Sweet
Catherine S. Swift

Lynn Tasse
James Tate
David Tavenor
Catherine A. Taylor
Ronald W. Taylor
Aaron Taylor
B.Gen. Garry Thomson
Beverly Topping
Effie Triantafilopoulos
Douglas E. Trott
Steven J. Trumper
Dr. John E. Tucker
Alexander Turbine

Jason Joseph Van Dam
Mr. & Mrs. Cornelis van de Graaff
Dennys Van Fleet
Peter van Loan
Teresa Vasilopoulos
Ken Villazor
Cathy Vine
Jane Voll
Thomas von Hahn

Sean Wagman
Catherine Wakelin
Glenn M. Walker
Harriet Walker
Andrew Wallace
John Walter
Ron Walton
Feifei Wang

Ning Wang
Thomas A. Wardle
John F. T. Warren
Michelle Wasylyshen
Robert Watson
Jaime Watt
Bob Weese
Peter Wegener
David Weiner
Bruce Weinert
Daniel Weinzweig
Loren A. Wells
John W. White
Lesley Whyte
S. Jacinta Whyte
Colin Wickham
The Hon. Bryon Wilfert
Michael H. Williams
Claire Willison
Geoffrey A. Wilson
Scott Wilson
Lorraine Wiseman

Cindy Yelle
Andrew Yui

Farhan Zahir
Steve Zinck
Joe Zinner
Luke L. Zych

Spousal Members

Mr. & Mrs. Larry Archer

Mr. & Mrs. John M. Boersma
Mr. & Mrs. James R. Burn

Nan & Peter Campion
Mr. & Mrs. Craig Caryl
Mr. & Mrs. George Chalmers
Mr. & Mrs. James Chalmers
William Mitchell & Diana Chant
Mr. & Mrs. Corneliu Chisu
Xia Coates
Mr. & Mrs. Clive Coombs
Fran & Lloyd Cooper
Shirley Crang

Maj. & Mrs. W. A. Duncan

Mr. & Mrs. David A. Edmison
Mr. & Mrs. Warren Elliott

Richard H. & Ruth E. Fisher
Mr. & Mrs. Sean E. Fitzgerald
Dr. Allan & Anne Fotheringham
Joseph & Diane Francoz
Gary & Karin French

Mr. & Mrs. Charles-Bernard Gagnon
Mr. & Mrs. Stan Gasner
John & Corinne Gilbert
Mr. & Mrs. Tony Gilmore
Mr. & Mrs. Blake C. Goldring
Mr. & Mrs. C. W. Goldring
Gloria Wilson-Gomez & Henry Gomez
Mr. & Mrs. Ronald Goodall
Mr. & Mrs. John E. Goodwin
Mr. & Mrs. Alex Graham
Milica Bobic & Werner Gruenwald

Mr. & Mrs. James Hamilton
Mr. & Mrs. Uwe Harnack
Mr. & Mrs. Alfred H. L. Harris
Kamal & Ilona Hassan
Mr. & Mrs. Frederick A. Helson
Rev. Canon Ebert & Mrs. Audrey Hobbs
Garth Parish & Kate Hubbard

Mr. & Mrs. A. B. Irwin

Catherine Jeske
Mr. & Mrs. Bruce Jodrey

Mr. & Mrs. Peter Kenny
Mr. & Mrs. Alam Khwaja
Carolyn Acker & David W. Kinnear
Florence Minz & Gordon Kirke
Devinder Mehra & Ellis Kirkland
R. Devine & K. Konkel
Casey and Mary Koopman

Mr. & Mrs. Donald H. Lander
Mr. & Mrs. Jack Lawrence
M.Gen. & Mrs. Reginald W. Lewis
Trevor Lewis & Mrs. N. F. Lewis
John R. & Anne Lewis
Julie Lindhout
Roy & Marny Loach
Mr. & Mrs. Paul Lucas

Mr. & Mrs. Hartland M. MacDougall
Mr. & Mrs. Alberto Martinez
Margaret McCain
Don & Ann McCutchan

Mr. & Mrs. J. D. McFadyen
Charles & Dorothy McIlravey
Douglas Graham & Ilse B. McTaggart
Mr. & Mrs. Anwar Memon
Mr. & Mrs. D.G.C. Menzel
Gail Roberts & Bart Mindszenthy
Mr. & Mrs. Wajiduddin Mohammed
Mr. & Mrs. Peter Munk
Sheri Anderson Munro & John Munro

Mr. & Mrs. Joe Nadler
Lorene Nagata
Mr. & Mrs. Michael Nahirny
Joanne Rider & Peter Nicholson
Mr. & Mrs. Michael A. J. Nikiforuk

Allan and Kathryn O'Dette
Mr. & Mrs. Philip Oduro-Kye
Mr. & Mrs. Bernard Ostry

Helen & Jack Paddle
Mr. & Mrs. D. Papavramidis
The Hon. Lorraine Gotlib & Mr. C. Paterson
Mr. & Mrs. Michael Paterson
Mr. & Mrs. Martin Petlock
Gary & Frances Pollack
Mr. & Mr. Douglas R. Porter
Mr. & Mrs. Robert Price

Dr. & Mr. Edison Quick

Dr. Vimal Scott Kapoor & Seema Rawla
Mr. & Mrs. Edward S. Rogers

Robin V. Sears
Mr. & Mrs. H. T. Seymour
Mr. & Mrs. G. Bruce Sinclair
Vlad & Eva Siperco Siperco
Edmund & Colleen Soulliere
Mr. & Mrs. Chris Spraakman
Alex & Kim Squires
Mr. & Mrs. R. Bredin Stapells
Rita Smith-Stokes & Victor Stokes
Mr. & Mrs. Larry Stout
Rebecca DiGiovanni & D. Craig Stovel
John & Hildegarde Symington

Fernando & Neysi Tagalog
Judith Hall & Graham Takata
Mr. & Mrs. Chris Taylor

Mr. & Mrs. R. Anthony Warner
Mr. & Mrs. William F. White
Mr. & Mrs. Peter A. White
J. A. Wm. Whiteacre & Lorna Kelly Whiteacre
Carolyn & William Whittaker
Greg K. W. & Sandra C. C. Wong

Ke (Christine) Zhan & Guiping (David) Xu

Student Members

Irene Berkowitz
Leena Bukhari

Marcin Ciesielski

Marty R. J. Gobin

Joe Karabinos Jr.
Matthew Kupfer
Stephen Kupfer

Alexander McColl
Ron Mernick
Vince Mirabelli
Shermin Mirmoghtadaei

Michael Olsen

Roland C. Pajares

Hershel Stuart Recht

Ronald Tsang

Cristina Van Blommestein
Enzo Verrilli

Steven Wang
Jim Ward

Auditors' Report

To the Members of
The Empire Club of Canada

We have audited the financial position of the Empire Club of Canada as at June 30, 2007 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Ontario Corporations Act, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP
Chartered Accountants

Toronto, Canada
August 24, 2007

Financial Report

THE EMPIRE CLUB OF CANADA
Statement of Financial Position for the Year Ended June 30, 2007 with Comparative Figures for 2006

	2007	2006
Assets		
Current Assets		
Cash	$ 131,725	$ 111,477
Short-term investments (note 2)	$347,092	$332,196
Accounts receivable	18,461	72,289
Prepaid expenses	3,347	1,848
	500,625	517,810
Capital Assets (note 3)	1	1
	$500,626	$517,811
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 58,359	$ 70,446
Due to the Empire Club Foundation	629	—
Deferred revenue	2,887	2,965
	61,875	73,411
Net Assets		
Unrestricted	438,751	444,400
	438,751	444,400
Commitments (note 4)		
	$500,626	$517,811

Signed on behalf of the Board
Richard Goodall
Treasurer

John S. Niles
President

The accompanying notes are an integral part of these financial statements.

Financial Report

THE EMPIRE CLUB OF CANADA
Statement of Cash Flows
for the Year Ended June 30, 2007 with Comparative Figures for 2006

	2007	2006
Cash provided by (used in):		
Operations		
Net earnings	$ (5,649)	$ 60,096
Changes in non-cash operating working capital:		
Short-term investments	(14,896)	586
Accounts receivable	53,828	(39,039)
Prepaid expenses	(1,499)	123
Accounts payable	(12,087)	52,648
Due to the Empire Club Foundation	629	(26,000)
Deferred revenue	(78)	(3,320)
	20,248	45,094
Increase in Cash	20,248	45,094
Cash, Beginning of Year	111,477	66,383
Cash, End of Year	131,725	111,477

Signed on behalf of the Board

Richard Goodall
Treasurer

John S. Niles
President

The accompanying notes are an integral part of these financial statements.

Financial Report

THE EMPIRE CLUB OF CANADA
Statement of Operations and Net Assets for the Year Ended June 30, 2007 with Comparative Figures for 2006

	2007	2006
Revenue		
Luncheons:		
Regular	241,516	237,362
Special and joint	108,545	248,500
	350,061	485,862
Direct expenses:		
Regular	(198,226)	(185,227)
Special and joint	(64,103)	(164,887)
	(262,329)	(350,114)
Other revenue:		
Head table sponsors	94,500	112,000
Membership fees	23,638	30,436
Interest	14,903	11,917
	220,773	290,101
Expenses		
Office salaries and employee benefits	91,694	93,209
Office and general	47,438	59,688
Yearbook donation and sundry	35,000	35,000
Members' notices	16,884	16,611
Printing, stationery and postage	15,186	4,486
Rent	13,815	13,680
Telephone	6,405	7,243
Bad debts (recovery)	—	(1,003)
Meetings	—	1,091
	226,422	230,005
Net Earnings (Loss)	$ (5,649)	$ 60,096
Net Assets, Beginning of Year	$444,400	$384,304
Net Assets, End of Year	$438,751	$444,400

The accompanying notes are an integral part of these financial statements.

Financial Report

THE EMPIRE CLUB OF CANADA
Notes to Financial Statements
for the Year Ended June 30, 2007

1. *General*

The Empire Club of Canada (the "Foundation") was incorporated under Letters Patent in the Province of Ontario on March 26, 1912. The principal function of the Club is to provide a forum for prominent people to address members of the Club and their guests on topics of current interest.

2. *Significant Accounting Policies*

(a) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Membership revenue is recognized as revenue in the year to which the membership relates. Luncheon revenue and sponsorships are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and interest are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Short-term Investments

Short-term investments are recognized at the lower of cost or market.

(c) Capital Assets

Capital assets, consisting of office furniture and equipment, are recorded at nominal value and additions are recognized as office and general expenditures in the year acquired.

(d) Due to the Empire Club Foundation

A donation to the Empire Club Foundation for the estimated cost of supplying the Foundation's membership with the yearbook of the current year is accrued each year.

(e) Deferred Revenue

Deferred revenue consists of membership fees paid in advance, unredeemed luncheon tickets and life memberships not yet amortized. Life memberships are amortized into revenue over the expected 30-year life of a member. Effective April 30, 2002, life memberships are no longer offered; however any remaining balances will continue to be amortized over their remaining terms.

(f) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. *Short-term Investments*

Short-term investments are comprised of liquid fixed income securities which mature between June 2007 and May 2015, and bear interest ranging from 3.65%–4.55%, and money market mutual funds. The fair market value of these short-term investments is $347,092 (2006–$332,190).

4. *Capital Assets*

During the year, $nil (2006—$7,260) in computer equipment and software was expensed as office and general expenditures.

5. *Commitments*

The Foundation has entered into a lease agreement for premises expiring on September 30, 2008.

Minimum annual lease rental payments under this agreement are as follows:

2008	10,900
2009	2,700
	$13,600

6. *Fair Value of Financial Instruments*

The carrying value of cash, accounts receivable, accounts payable, due to the Empire Club Foundation and deferred revenue approximate their fair values due to the relatively short periods to maturity of these instruments or because they are receivable or payable on demand.

Fair values of the investments are based on market values, as disclosed in note 2.

THE EMPIRE CLUB FOUNDATION

November, 2007

Fellow members,

It is a great honour, as well as a pleasure, to present to you this keepsake of the Empire Club of Canada's 103rd consecutive compendium of speeches. This annual compendium, makes the Empire Club of Canada unique among speaker's fora across the world.

A continuous record of 103 years of speakers and speeches of the highest calibre is a testament to the success and reputation of the Empire Club of Canada. Every club president brings his or her own special talents and interests to the club, and stamps his or her personality on that year. Reverend John Niles, who gave his special gifts to the past year, was a most capable and dedicated president and we are all grateful to him for his efforts.

This book is provided to you by the Empire Club Foundation, which thanks to your support, has made this book available in each year to public and educational libraries across Canada as well as to our embassies since the club's founding over 100 years ago.

Indexed speeches are also available on our web site www.empire club.org. They are an invaluable resource for researchers, but more importantly, they are a great read.

The publication of this book would not be possible without the generosity and support of many members and friends of the Empire Club of Canada. On behalf of the Empire Club Foundation I thank you for your generous support.

Sincerely,
John C. Koopman, Chairman

THE EMPIRE CLUB FOUNDATION

Patron

Col. The Hon. Henry N. R. Jackman, OC, CD, KStJ, LL.D

Officers

Chairman:	John C. Koopman
Honorary Secretary:	William G. Whittaker, QC
Honorary Treasurer:	Richard Goodall, CA
Past Chairmen:	David A. Edmison, CFA
	Douglas L. Derry, FCA
	Bruce J. Legge, CMM, CM, KStJ, ED, CD, QC
	Robert H. Hilborn, LVO, MBE, CD
	John A. MacNaughton, CM
	Reginald W. Lewis, CMM, CM, OStJ, CD

Directors

Edward P. Badovinac

John F. Bankes

Mary R. Byers

C. Warren Goldring

Ronald Goodall, FCA

Frederick L. R. Jackman, CStJ, PhD, LL.D

Gareth S. Seltzer

Harry T. Seymour

THE EMPIRE CLUB FOUNDATION CONTRIBUTORS
April 30, 2006–April 30, 2007

PATRONS
($1,000.00 or more)

The Hon. Henry N. R. Jackman

ENDOWMENT BENEFACTORS
($500.00 to $999.00)

Edward and Jocelyn Badovinac

The Hermant Family Foundation

Mercedes-Benz Canada Inc.

William F. White

BENEFACTORS
($250.00 to $499.00)

Willis Blair

Robert L. Brooks

Kamal Hassan

David Moore

Darcy Rector

Gareth S. Seltzer

DONORS
($100.00 to $249.00)

Douglas B. Astley

Capt. Sam Billich

E. J. Chard

Tony Comper—BMO Financial Group

William J. Coyle—William J. Coyle Associates

Verity Craig

Ann Curran

Davis-Rea Ltd.

Michael B. Deeb—Hampton Securities Ltd.

Heather Devine

Carlyle A. Dunbar

Ronald and Grace Goodall

Ryan Guthrie—Guthrie Insurance Brokers Ltd.

Duncan Hawthorne—Bruce Power

Institute of Chartered Accountants of Ontario

Carrie Kaye

Donald Lander

Reginald W. Lewis

Dr. H. Ian MacDonald

S. R. McMorran

Sylvia Morawetz

Joseph Nadler

Sheila Pollock

DONORS
($100.00 to $249.00) *continued*

Joseph D. Sorbara

Alex Squires

R. Bredin Stapells

Larry Stout

Michael Zygocki Limited

Auditors' Report

To the Members of
The Empire Club Foundation

We have audited the statement of financial position of the Empire Club Foundation as at April 30, 2007 and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from donations from supporters, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at April 30, 2007 and the results of its operations and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP
Chartered Accountants

Toronto, Canada
October 5, 2007

Financial Report

THE EMPIRE CLUB FOUNDATION
Statement of Financial Position for the Year Ended April 30, 2007 with Comparative Figures for 2006

	2007	2006
Assets		
Current Assets:		
Cash	$ 9,110	$ 38,714
Short-term investments	115,000	60,000
Interest receivable	3,098	454
Due from the Empire Club of Canada	35,000	35,000
GST receivable	838	11,388
	$163,046	$145,556
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	$131,073	$ 93,751
Net Assets	31,973	51,805
	$163,046	$145,556

Signed on behalf of the Board

John C. Koopman
Chairman

Ronald Goodall
Director

The accompanying notes are an integral part of these financial statements.

Financial Report

THE EMPIRE CLUB FOUNDATION
Statement of Operations and Net Assets for the Year Ended April 30, 2007 with Comparative Figures for 2006

	2007	2006
Revenue		
Donations:		
The Empire Club of Canada	$ 35,000	$ 36,000
Supporters	9,124	19,585
Other income	1,181	—
Interest	3,811	1,782
	$ 49,116	$ 57,367
Expenses		
Yearbook	61,270	45,000
Stationery, postage and other expenses	7,678	5,221
	$ 68,948	50,221
Excess (Deficiency) of Revenue over Expenses	(19,832)	7,146
Net Assets, Beginning of Year	51,805	44,659
Net Assets, End of Year	$ 31,973	$ 51,805

The accompanying notes are an integral part of these financial statements.

Financial Report

THE EMPIRE CLUB FOUNDATION
Notes to Financial Statements
for the Year Ended April 30, 2007

1. *The Foundation*

The Empire Club Foundation (the "Foundation") was incorporated on January 22, 1969 under the laws of Canada as a non-profit organization. The principal function of the Foundation is the publication and distribution of yearbooks, containing the texts of addresses to the Empire Club of Canada, to the Club's members and libraries across Canada. The Foundation's activities are funded by donations.

2. *Significant Accounting Policies*

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Those estimates are reviewed periodically and as adjustments become necessary, they are reported in the years in which they become known.

(a) Revenue Recognition:

The Foundation includes donations in revenue when received, except for donations from the Empire Club of Canada, which are included in revenue when pledged.

(b) Expenses:

The estimated cost of publishing and distributing yearbooks of the current year is accrued each year.

3. *Statement of Cash Flows*

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

4. *Fair Value of Financial Assets and Financial Liabilities*

The carrying values of cash, short-term investments, interest receivable, due from the Empire Club of Canada, GST receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short term to maturity of these items or because they are receivable or payable on demand.

CONSTITUTION

The Empire Club of Canada By-Law No. 1

Being a special by-law relating generally to the administration of affairs of The Empire Club of Canada

CONTENTS

ARTICLE I *Definitions and Interpretation*
ARTICLE II *Business of the Club*
ARTICLE III *Purpose and Object of the Club*
ARTICLE IV *Membership*
ARTICLE V *Directors*
ARTICLE VI *Meetings of The Board*
ARTICLE VII *Committees*
ARTICLE VIII *Officers*
ARTICLE IX *Regular, Special and Annual Meetings*
ARTICLE X *Fiscal Year*
ARTICLE XI *Not-For-Profit Corporation*
ARTICLE XII *Amendment of By-Laws*
ARTICLE XIII *Auditor*
ARTICLE XIV *Indemnification of Directors and Officers*
ARTICLE XV *Financial Matters*

The following is hereby enacted as By-Law No. 1 of The Empire Club of Canada (hereinafter called the "Club"):

ARTICLE I *Definitions and Interpretation*

Section 1.01 Definitions

In this By-Law, the following words and phrases shall have the following meanings, respectively:

a) **"Act"** means the *Corporations Act*, R.S.O. 1990, c.C.38 as amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in the By-Law of the Club to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;

b) **"Board"** means the board of Directors of the Club;

c) **"By-law"** means this By-Law and all other by-laws and special by-laws from time to time in force and effect;

d) **"Club"** means the corporation incorporated by Letters Patent issued on the 26th day of March 1912, pursuant to *The Ontario Companies' Act* and operating under the name of The Empire Club of Canada;

e) **"Notice"** means, the provision of information, orally, or in writing, and may be communicated via telephone, facsimile transmission, publication, or electronic mail, and is deemed to be effective on the date the notice is sent or published, and such Notice shall be sufficient if addressed to the Members at their respective Recorded Address, and deposited post paid in the post office in Toronto;

f) **"Recorded Address"** means, in the case of a Member, his or her address as recorded in the register of Members and, in the case of a Director, Officer, auditor or member of a committee of the Board, his or her address as recorded in the records of the Club;

g) **"Registered Office"** of the Club will be at such location in the City of Toronto as determined by the Board from time to time;

h) **"Special Resolution"** means a resolution passed by the vote of at least two-thirds of the Members present and voting at a duly convened meeting;

i) **"Member"** means a member of the Club; and

j) **"Officer"** means those officers of the Club set out in Article VIII.

Section 1.02 Interpretation

This By-Law shall be interpreted in accordance with the following, unless the context otherwise specifies or requires:

a) Words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include individuals, firms and corporations; and

b) Headings used in this By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

Section 1.03 Repeal of Previous By-Laws

All previous By-Laws relating to the administration of the affairs of the Club are hereby repealed and replaced with this By-Law.

ARTICLE II *Business of the Club*

Section 2.01 Name

The name of the Club is "The Empire Club of Canada."

Section 2.02 Registered Office

Until changed in accordance with the Act, the Registered Office of the Club shall be in the Province of Ontario and at such location therein as the Board may, from time to time, determine by resolution.

Section 2.03 Corporate Seal

The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Club.

ARTICLE III *Purpose and Object of the Club*

The purpose and object of the Club is to promote the interests of Canada and the British Commonwealth of Nations.

ARTICLE IV *Membership*

Section 4.01 Classes of Members

The membership of the Club shall consist of:

a) Life Members;
b) Senior Members
c) Regular Members;
d) Junior Members; and
e) Spousal Members

All members of classes (a), (c), and (e), must be the full age of eighteen years (excepting Senior Spousal Members), and otherwise have the capacity under law to contract.

Section 4.02 Life Members

Members of the Club in good standing may be elected to be Life Members by a two-thirds majority of those present at a Board meeting. Life Members shall pay one fee only, variable by age of the applicant, as may be fixed and published from time to time by the Board of Directors.

Section 4.03 Senior Members

Senior Members of the Club shall be of such age, and employment status, as determined by the Board of Directors from time to time.

Section 4.04 Regular Members

Candidates for Regular Membership shall be proposed by a Member in good standing and shall be elected by a two-thirds majority of those present at a Board meeting.

Section 4.05 Junior Members

Candidates for Junior Membership shall be between the ages of 14 and 35 years, proposed by a Member in good standing, and elected by a two-thirds majority of those present at a meeting of the Board of Directors.

Section 4.06 Spousal Members (Regular and Senior)

Spousal Members are charged annually a lesser membership fee for a spouse living at the same address as a Regular Member, Junior Member, or Senior Member.

Section 4.07 Membership Fees

a) All Members (excepting Life Members) shall pay respectively such annual fees as may be fixed and published from time to time by the Board of Directors;

b) All Members elected after the first day of March in any year shall pay one annual fee only in respect of the period from the date of election until the 30th day of September in the following year; and

c) For all Members, membership shall end June 30, and if any Member is in arrears for fees after February 1 of the following year, such Member will no longer be considered in good standing.

ARTICLE V *Directors*

Section 5.01 Duties and Powers of Directors

The affairs of the Club shall be managed by a Board of Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Club.

Section 5.02 Number

The Board of Directors shall comprise 40 persons and shall include all of the following:

a) 30 Members;

b) The four Immediate Past Presidents; and

c) six Officers.

Section 5.03 Quorum

Ten Directors present at a meeting of the Board shall constitute a quorum.

Section 5.04 Qualification of Directors

Each Director shall:

a) be at least eighteen (18) years of age;
b) be a Member of the Club;
c) not be an undischarged bankrupt; and
d) have the capacity under law to contract.

Section 5.05 Nomination and Election of Directors

Nominations for election as Director at the Annual Meeting of the Club may be made in accordance with the following process:

a) The Board shall charge a committee with responsibility for the nominations process relating to the election of Directors, (the "Nominating Committee"), which shall consist of five Directors and four other Members of the Club;
b) The Nominating Committee shall be appointed annually by the Board of Directors in accordance with Article 7.01;
c) The Nominating Committee shall prepare a list of the nominations for Directors for the ensuing year;
d) The Chair (or acting Chair) of the Nominating Committee shall report the nominations to the Annual Meeting at which the Board of Directors shall be elected, but nothing herein shall preclude the nomination of other persons for the office of Director at the Annual Meeting;
e) If nominations do not exceed the number of Directors necessary, the Chair of the meeting may instruct the Secretary to cast one ballot in favour of those so

nominated and thereupon such persons shall be declared by the Chair to have been duly elected;

f) If the nominations exceed the number of Directors necessary, the Chair will call for a show of hands, unless a poll be demanded by the Chair or by any candidate for election. Upon a show of hands every member having voting rights shall have one vote and a declaration by the Chair that a resolution has been carried or not carried followed by an entry to that effect made in the minutes of the Club shall be prima facie evidence of the fact without proof of the number or proportion of the votes accorded in favour or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of the votes cast and such poll shall be taken in such manner as the Chair shall direct. The result of such poll shall be deemed the decision of the Club upon the matter in question. In the event of the equality of the votes cast, whether by a show of hands or by a poll, the Chair shall be entitled to a second or casting vote; and

g) No person shall be elected a Director unless he is a Member in good standing.

Section 5.06 Honorary Directors

A Member, whose service to the Club has been exemplary, may be elected to the position of Honorary Director annually by a two-thirds majority of Directors, subject to re-election.

Section 5.07 Remuneration of Directors

The Directors shall receive no remuneration for acting as such.

Section 5.08 Casual Vacancies

In the event of any vacancy occurring in the office of Director, the remaining Directors may fill the vacancy from among the Members for the unexpired portion of the term of office of the person whose office is vacant.

ARTICLE VI *Meetings of The Board*

Section 6.01 Procedure

The procedure for regular Board meetings is as follows:

a) Board meetings shall be called by the President, or on a requisition signed by ten Directors;

b) The President shall, when present, preside at all meetings of the Members and of the Board of Directors. During the absence or inability to act of the President, the Vice-Presidents in order of seniority, shall act as Chair at such meetings;

c) Questions arising at any meeting of the Directors shall be decided by a majority of votes unless otherwise specifically provided by statute or this By-Law. In the case of an equality of votes, the Chair of the meeting, in addition to his original vote, shall have a second or deciding vote;

d) All votes at any meeting shall be taken by ballot if so demanded by a majority of Directors present, but if no demand be made, the vote shall be taken by a show of hands; and

e) A declaration by the Chair of the meeting that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number of proportion of the votes recorded in favor of or against such resolution.

Section 6.02 Notice

a) Notice shall be given to each Director and Honorary Director five days or more before the Board meeting is to take place, provided that a Board meeting may be held at any time if all Directors are present or if those absent have waived Notice or otherwise signified their consent to such meeting being held in their absence, in writing;

b) Notice of regular Board meetings may be given via telephone, facsimile transmission or electronic mail to each Director, and Honorary Director;

c) Waiver of Notice may be given via facsimile transmission or electronic mail to each Director, and Honorary Director; and

d) The Board may appoint a day or days in a month or months for regular meetings, at an hour or place to be named, and of such regular meetings, no notice need be given.

ARTICLE VII *Committees*

Section 7.01 Standing Committees

The following standing committees and the Chair of each shall be appointed by the Board of Directors as soon as convenient after each election of the Board:

a) Budget and Finance Committee;

b) Speaker's Committee;

c) Membership Committee;

d) Constitution and Corporate Governance Committee;

e) Reception Committee;

f) Publicity and Public Relations Committee;

g) Yearbook Committee;

h) Head Table and Attendance Committee; and

i) Nominating Committee;

provided that for any year the Board of Directors may by resolution elect not to appoint any one or more of such committees.

Section 7.02 Other Committees

The President or the Board of Directors may from time to time appoint such other Committees as may be deemed expedient, necessary or appropriate for such purposes and with such powers as the President or the Board shall see fit.

Any such Committee may formulate its own rules of procedure, subject to such regulations or directions as may from time to time be made by the President or the Board.

Section 7.03 Removal from Committees

Any committee member may be removed by resolution of the Board.

ARTICLE VIII *Officers*

Section 8.01 Appointment of Officers

The Board of Directors shall meet as soon as convenient after their election for the purpose of appointing the Officers of the Club for the period ending June 30th in the next year, but each Officer shall continue in office until his successor is appointed. No notice of the meeting to appoint new Officers is required if this meeting is held immediately after the Annual Meeting.

Section 8.02 Honorary Officers

The Honorary Officers of the Club shall consist of the following:

a) Honorary President;

b) Honorary Vice-President;

c) Honorary Chairman;

d) Honorary Secretary;

e) Honorary Treasurer; and

f) Honorary Solicitor.

Section 8.03 Officers

The Officers of the Club shall consist of the following:

a) President;

b) First, Second and Third Vice-Presidents;

c) Secretary; and

d) Treasurer.

Section 8.04 Qualifications

a) All Officers other than Honorary Officers shall be Directors of the Club;

b) No person other than the Honorary President and the Honorary Vice-President shall be eligible for office unless he is a Member in good standing; and

c) In the event of a vacancy occurring in any office, the Board of Directors may fill the vacancy for the un-expired portion of the term.

ARTICLE IX *Regular, Special and Annual Meetings*

Section 9.01 Regular Meetings

The Club shall hold Regular Meetings weekly, if possible, from September to June, inclusive, with such intermissions as may from time to time be determined by the Board of Directors.

Section 9.02 Special Meetings

Special Meetings of the Club may be called at any time by the President, or on a requisition signed by ten Directors.

Section 9.03 Annual Meetings

The Annual Meeting shall be held not later than June 30th of each year. At the Annual Meeting a report of the year's proceedings and work shall be submitted by the President and this report shall be accompanied by an interim financial report from the Treasurer.

Section 9.04 Notice of Meetings to Members

a) Notice of all Regular Meetings shall be given to all Members of the Club at their Recorded Address;

b) Notice of all Special and Annual Meetings shall be given to all Members of the Club at least ten days prior to the date upon which the meeting is to be held; and

c) The accidental failure or omission to give notice to any Member shall not invalidate the proceeding at any meeting.

Section 9.05 Quorum at Meetings

Sixteen Members in good standing shall constitute a quorum at any meeting of the Members of the Club.

Section 9.06 Limitation of Business at Regular Meetings

No business shall be introduced at any Regular Meeting of the Club by any person other than the Chair of the meeting, unless it has been approved by the Board prior to the meeting.

ARTICLE X *Fiscal Year*

The fiscal year of the Club shall end on such day in each year as may be fixed by the Board of Directors, but if not so fixed by the Board, it shall end on June 30.

ARTICLE XI *Not-For-Profit Corporation*

The Club shall be operated without the purpose of gain for any of its Members and any profits or other accretions to the Club shall be used in promoting the objects of the Club.

ARTICLE XII *Amendment of By-Laws*

The By-Laws of the Club may be repealed or amended by a by-law enacted by the Board of Directors and sanctioned by an affirmative vote of two-thirds (2/3) of the Members at a meeting duly called for the purpose of considering such repeal or amendment.

ARTICLE XIII *Auditor*

a) An Auditor shall be appointed at each annual meeting at a remuneration to be determined by the Directors.

Section 14.01 Protection

For the protection of Directors and Officers:

a) No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer or employee or for any loss, damage or expense happening to the Club through the insufficiency or deficiency of title to any property acquired by order of the Board or for or on behalf of the Club or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Club shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such Director's or Officer's respective office or trust or in relation thereto, unless the same shall happen by or through such Director's or Officer's own wrongful and willful act or through his own wrongful and willful neglect or default.

b) Directors and Officers shall not be liable to the Club for any costs, charges, expenses, loss or liability which the Club shall suffer or incur for, by reason of, arising out of, or in any way relating to any act, deed, matter or thing made, done or permitted to be done or omitted to be done by him in the performance of his duties and functions (or in the performance of what he honestly believed was in the proper performance of his duties and functions), provided he acted or made such omission honestly, in good faith and without fraud or fraudulent intent.

Section 14.02 Indemnity

Every Director or Officer of the Club, and his heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Club from and against:

a) any and all costs, charges and expenses whatsoever which such Director or Officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him, in or about the execution of the duties of his office; and

b) any and all costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

Section 14.03 Insurance

The Board shall cause to be purchased such insurance as it considers advisable and necessary to ensure that Directors and Officers will be indemnified and saved harmless in accordance with this By-Law; the premiums for such insurance coverage shall be paid from the funds of the Club.

ARTICLE XV *Financial Matters*

Section 15.01 Authorized Signing Officers

Contracts, documents or other instruments in writing requiring the signature of the Club shall be signed by any two Officers and all contracts, documents, and instruments in writing so signed shall be binding upon the Club without any further authorization or formality. The Board shall have power from time to time by resolution to appoint an Officer or Officers on behalf of the corporation to sign specific contracts, documents and instruments in writing. Any financial obligation in excess of $25,000 to be incurred by the Club shall require Board authorization.

Section 15.02 Banking and Borrowing

a) Bank accounts of the Club shall be kept at such banks and in such places and shall be operated in such manner and by such person or persons as the Board shall from time to time determine by by-law.

b) The Board may from time to time:

   i) borrow money on the credit of the Club;

   ii) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Club;

   iii) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Club, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation; and

   iv) delegate the powers conferred on the Board under this paragraph to such Officer or Officers of the Club and to such extent and in such manner as the Directors shall determine.

Section 15.03 Investments

The Board may invest in any investments which are authorized by the Club's investment policy as determined by the Board from time to time.

Section 15.04 Trust Funds

a) No benefit given in trust to or to the use of the Club for endowment purposes shall be hypothecated, transferred or assigned to obtain credit or to receive funds except as allowed by the *Trustee Act* (Ontario);

b) The Secretary shall keep at the Registered Office of the Club copies of all testamentary documents and trust instruments by which benefits are given, bequeathed or devised to, or to the use of, the Club;

c) The Club shall apply any trust funds of the Club only to the designated purpose(s) for which such funds were intended. Under no circumstances shall the Club transfer any funds held in trust by the Club to any other individual or entity, unless such transfer complies with all applicable law, including without limitation, the *Charities Accounting Act* (Ontario) and the *Trustee Act* (Ontario); and

d) The Treasurer shall at least semi-annually provide an accounting to the Board with respect to all funds held in trust by the Club.